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100th Congress, 1st Session

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Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 14

Depositions

Lee H. Hamilton, *Chairman*,
House Select Committee
Daniel K. Inouye, *Chairman*,
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

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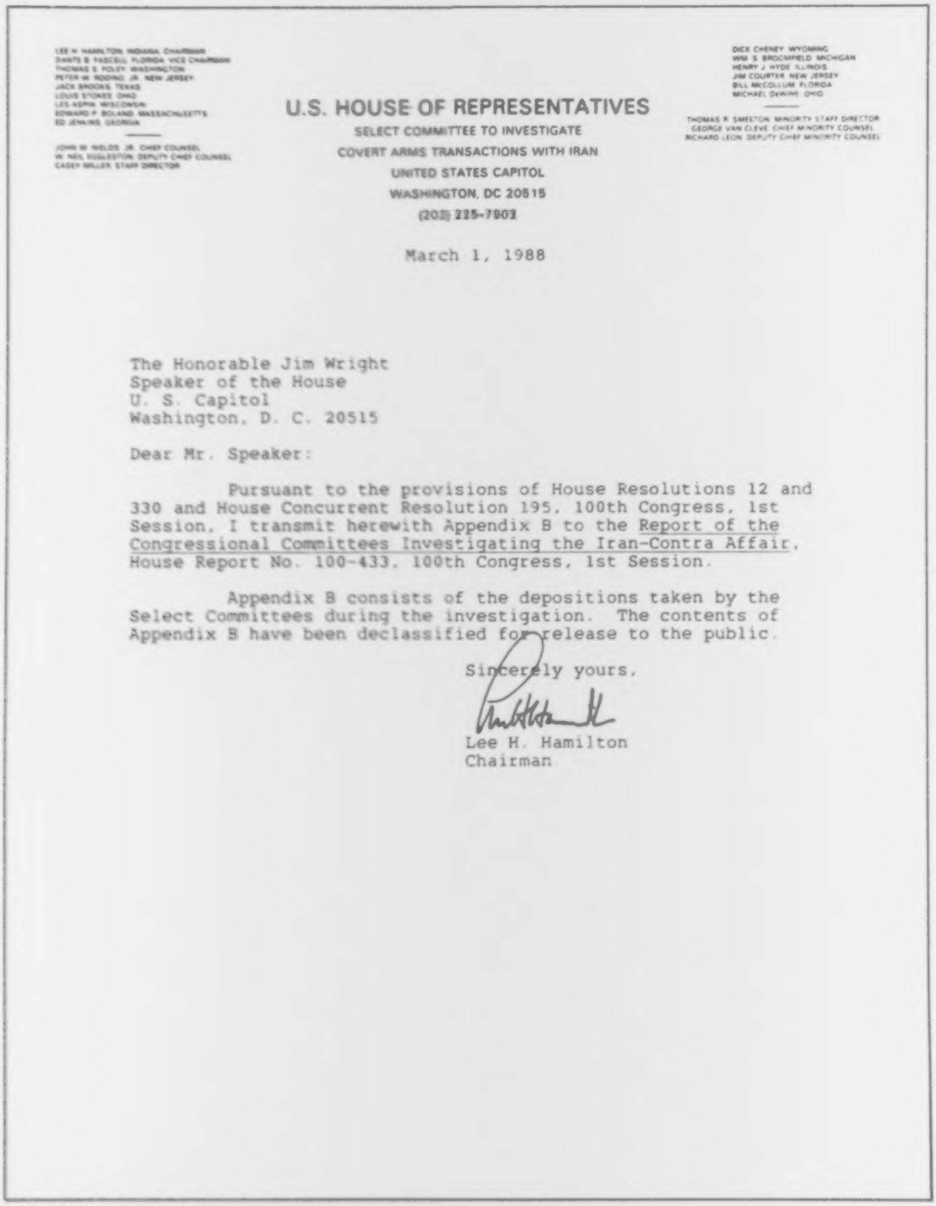

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March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

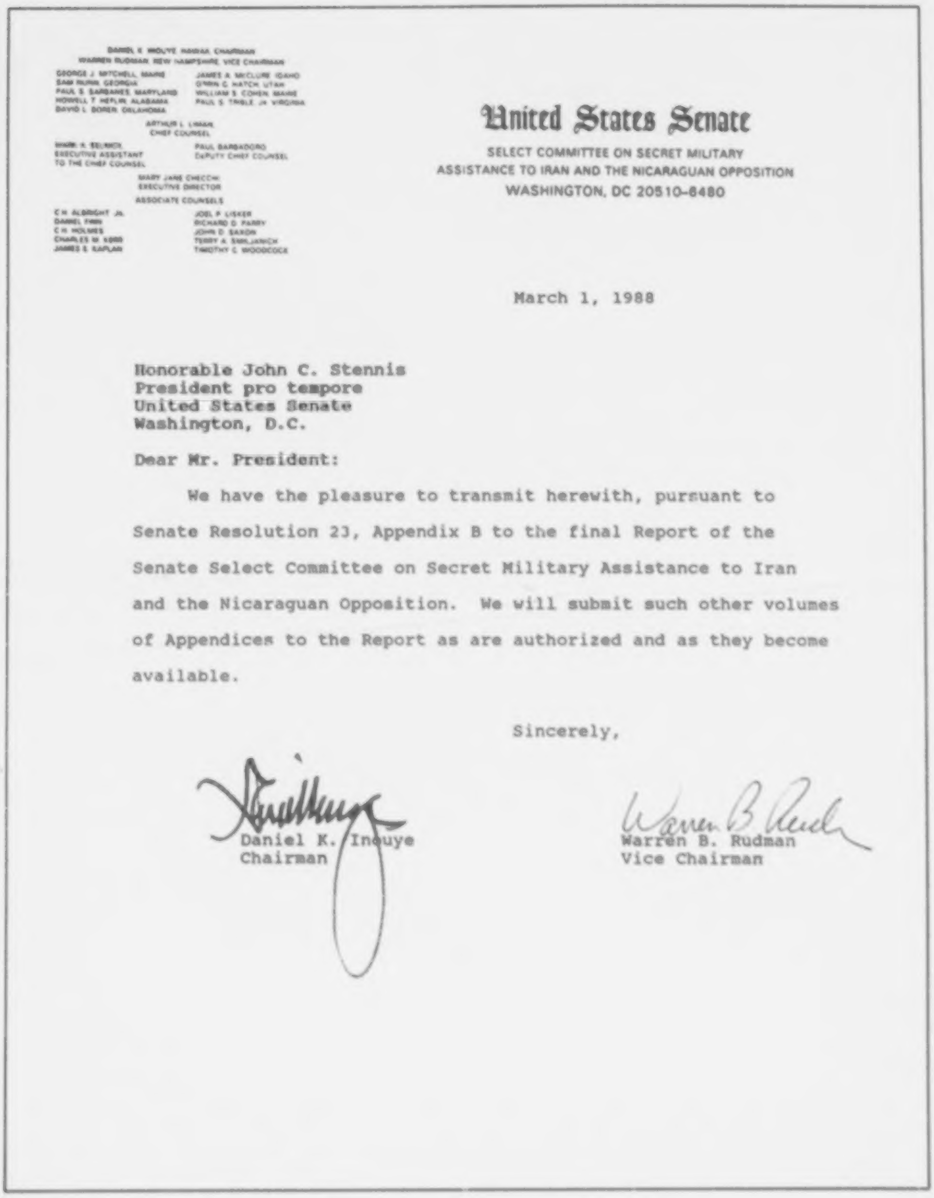
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



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United States Senate
SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
Chairman

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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

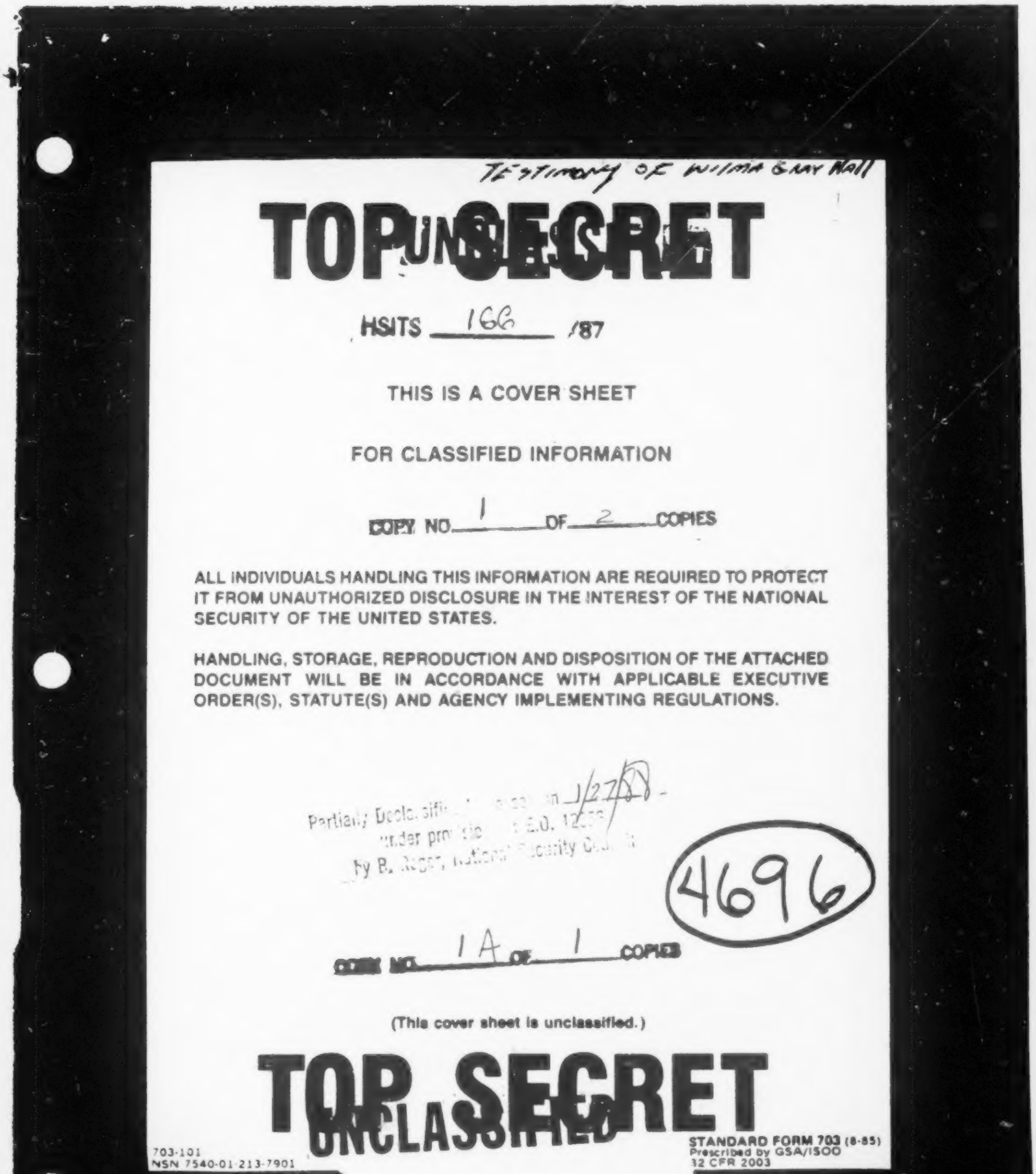
The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.
Appendix B: *Depositions*, 27 volumes, 1988.
Appendix C: *Chronology of Events*, 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.



TESTIMONY OF WILMA GRAY HALL

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HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF WILMA GRAY HALL

Monday, April 27, 1987

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TESTIMONY OF WILMA GRAY HALL

Monday, April 27, 1987

United States Senate
Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
Washington, D. C.

Deposition of WILMA GRAY HALL, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-220, Hart Senate Office Building, Washington, D. C., commencing at 10:47 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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MARK BELNICK, ESQ.

On behalf of the House Select Committee:

CLARK B. HALL, ESQ.

ALSO PRESENT:

C. DEAN MC GRATH, JR., ESQ.

Associate Counsel to the President

PETER KEISLER

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EXHIBITS

HALL EXHIBIT NUMBER	FOR IDENTIFICATION
1	9
2	15
3	20
4	26
5	29
6	30

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P R O C E E D I N G S

Whereupon,

WILMA GRAY HALL,

called as a witness by counsel for the Senate Select Committee, having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MS. NOURSE:

Q Could you state your full name for the record please?

A Wilma Gray Hall.

Q Mrs. Hall, could you tell us when you first became employed at the NSC and for whom?

A Yes. June 1970, for Colonel Al Haig and Dr. Henry A. Kissinger.

Q And thereafter could you tell us who you worked for at the NSC up until the present time?

A Dr. Kissinger became double-hatted, so then I worked for Brent Scowcroft and Bill Hyland after Colonel Haig and -- well, General Haig at that time -- left and Dr. Kissinger was Secretary of State. After that Dr. Brzezinski, David Aaron, and then I went to work for -- Richard Allen came in with the current administration.

I transferred over to State Department to work for Mr. McFarlane when he was ~~counsellor~~ THE COUNSELOR, came back to the White

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House with him as his secretary. When Judge Clark replaced Richard Allen. Bud McFarlane became the Deputy, and I transitioned when Mr. McFarlane left. I reversed positions. Instead of working in the primary position, I worked in the secondary position for Don Fortier.

Upon Don's death, Dr. Keel was appointed and asked me to stay and work as his secretary. And now I am working for Ambassador ~~Soricano.~~ SORZANO

Q That's quite an experience at the National Security ~~Agency~~ COUNCIL. Could you give me a date when you began working for Colonel McFarlane?

A When I worked directly for him or with him?

Q With him.

A When he was a Major in the Marine Corps. In Dr. Kissinger's days he was the Military Assistant.

Q And when was that?

A I can't remember precisely the year. I've known Mr. McFarlane since about 1973, when he was a White House Fellow for Bill Timmons in the Legislative Office.

Q When did you begin working for him at the NSC?

A I went to work directly for him as his personal assistant when he was ~~a counsellor~~ THE COUNSELOR at the State Department. We transferred back over to the NSC in January 1982, January 20.

Q And you worked for him?

A Directly for him as his secretary when he was a Deputy, and then when Judge Clark resigned and he became the Assistant, I stuck with him.

Q You worked for him when he was National Security Advisor, is that correct?

A Right.

Q Were you his only secretary?

A No, but I was his primary personal assistant, special assistant.

Q What were your duties as Colonel McFarlane's special assistant?

A Scheduling meetings, tasking, meeting papers, talking to people that he didn't have time to talk with, handling references from the President's office that were referred to Mr. McFarlane. Basically, I was just a personal special assistant for him, and we didn't do a lot of typing in our office. Most of the typing was done by the staff. Still is today. It's always been that way.

Q Did he dictate memos which you would transcribe?

A Occasionally.

Q Did you maintain a filing system?

A Of the things that he personally wrote, yes. Things that he signed, no. They were always kept in the system outside the office. A lot of things that he wrote eventually got into the system, but they weren't always.

Files were maintained in the office and everything's there.

Q Perhaps you could explain for us a little bit what you means by "things that he personally wrote". Would he hand-write out a sheet and give it to you to type?

A Most of the time he either would dictate -- rarely he handwrote things because he just didn't have time to handwrite things. He would either dictate them or he'd do them on the PROFs machine, send me a note, and I would type it, finalize it, clean it up, and put it in memorandum form.

Q Are you speaking of personal correspondence here or official communications?

A He did a lot of Qs and As for the President, for press conferences, for various things that the President would have. He did a lot of press guidance for Larry Speakes, things that he knew the issues and he did directly for the President. He would do most of the things that he did for press guidance. Things that he personally did.

It might seem a little silly for the National Security Advisor, but he knew the issues better than just about anybody else.

Q If you know, did Colonel McFarlane take notes of meetings that he had with the President at 9:30 in the morning?

A I don't think he took notes at those meetings. He may have taken a one or two-word -- you know he did reminders to himself to follow up, but he didn't take notes to my knowledge. That's something you'd really need to ask him.

Q Were these consistent? Is there a set of reminders that he kept?

A He would keep them on a pad on his desk. He had like a five-by-seven pad, or a yellow pad sometimes, and he would just like write one word, and that one word -- like he'd write the name of a person, or arms control, or something like that, and that would trigger. He had an excellent memory. He has just total recall.

Q Were those documents filed and stored?

A No. At the end of the day he would line out the things that he had done and then he would carry over maybe for a day or two, and at some point during the week he would usually update his reminders list. If his list got too long, he would just keep the outstanding things.

And he put those things in his out box with a line through them, which meant destroy. Or he'd fold them, which meant destroy. There was no need to retain those. I mean, no one in that office to my knowledge ever has. It wouldn't mean anything to anybody else anyway, I don't think.

Q I'd like to show you a PROFs note that I believe you are the author of -- and I have some copies. It's the middle one.

A Eighty-six.

MS. NOURSE: If the Reporter could mark this Exhibit 1.

(The document referred to was marked W. Hall Exhibit Number 1 for identification.)

THE WITNESS: I can't really see who I wrote it to on the bottom. Oh, it's RCM. O.K.

MR. BELNICK: Maybe the witness could describe it for you.

BY MS. NOURSE: (Resuming)

Q For the record, Exhibit 1 is a PROF note from Wilma Hall to Oliver North. It is our Bates stamp number N17815 and in the middle of the page, dated 11-20-86 at 17:18:28.

(Pause.)

A I remember writing this.

Q You could help me if you would clarify the meaning of the second sentence here -- the third sentence, rather. "I'm not sure that Howard knows that we still have PROFs to Bud and want to protect that. So could I please ask you to discuss with Howard and give me something from both of you for Dr. Keel." Could you tell me what you meant by that sentence?

A The fact that Mr. McFarlane still had a PROF system connected with the White House was rather close held, I think. I was told that he was to continue having PROFs, White House communications, because he was working on sensitive projects for the President. And I did memos from time to time extending that at the request of Paul Thompson, extending that service to Mr. McFarlane. It was not at Mr. McFarlane's request that the system was in place.

Q While we are on the same note here, perhaps you could give us a little background on the incident with Michael Ledeen that is described in the note, as much as you recall.

A Michael Ledeen called and wanted to speak with Admiral Poindexter. Admiral Poindexter refused to take his call. So Michael Ledeen and I know each other. He called back and said, since he was not able to get through to Admiral Poindexter, and Admiral Poindexter would not return his telephone calls, could he please speak with Dr. Keel.

Because he is a consultant to the NSC, he is not permitted -- because of his consultancy role -- to talk about NSC matters without clearing it first with the NSC and the White House. So before he could go on any press interviews he had to get clearance from the NSC. Otherwise he would be in violation of his NSC consultancy role. So that's what he was seeking to do.

MR. BELNICK: I have to go upstairs, if you could just let me ask a couple of questions.

BY MR. BELNICK:

Q Wilma, do you remember back in the summer of 1985, late August, early September -- that period -- Congressman Barnes wrote letters --

A Right.

Q Questioning Oliver North's activities in Central America. Do you recall the incident?

A I did not see the letters. I am very much aware of the incident because I scheduled the meeting for Congressman Barnes to come and meet with Mr. McFarlane and discuss the matter -- at Mr. McFarlane's invitation. He wanted to meet with him. He wanted to try to clarify the situation.

Q Exactly. Prior to the meeting that you scheduled between Congressman Barnes and Mr. McFarlane, do you recall Mr. McFarlane gathering documents to review?

A Yes, he did.

Q And how did he do that?

A He asked Paul Thompson to get together with Colonel North and bring all materials having to do with this issue to his office, that he personally wanted to review all of these documents and to see if there was anything there that, you know, that the Congressman had a legitimate -- you know was there anything in the record that Ollie had been doing anything.

He wanted to be able, when he met with the Congressman, he wanted to be able to say very honestly that he had not found any information and so forth. And I think Paul also met with other people on the staff to try to ensure that all of the materials were reviewed.

Q Did you overhear Mr. McFarlane give those instructions to Paul Thompson?

A No, but I know that this was the case because Paul, in fact, put this process into effect and had Colonel North bring the documents to his office and Paul reviewed them from a legal point of view, I think, to see what was there.

And I know because I saw him with the documents. He had quite a lot of documents. He personally went through all of the documents.

Q Paul Thompson did?

A Yes, he did.

Q And did Paul Thompson then bring those documents to Mr. McFarlane so far as you know?

A Yes, he did. And Mr. McFarlane spent a lot of time going through them. He stayed quite late at night, and he went through everything -- as far as I know, everything. I mean everything that was given to him he went through.

Q On more than one evening?

A Yes.

Q And you know that because you saw him reviewing the documents?

A Yes.

Q Do you know whether Commander Thompson indicated that any of the documents were a problem?

A No. I don't know anything about that part of it. I do know that Bud reviewed all the documents. I know that Bud was very concerned about making sure that there was -- nothing illegal was being done. And he also wanted to ensure that it was the case that everything was cleared up.

Q Did you hear Mr. McFarlane tell Commander Thompson or anyone else whether he thought any of the documents may be problematic in some way?

A I can't honestly remember him ever saying -- commenting on the documents at all. I know I did see him talk with Paul about them, but I just don't know what was said. The office is very busy, so it's hard to keep up with everything that's going on.

Q Sure. Do you know whether he talked with Colonel North about the documents?

A Mr. McFarlane?

Q Yes.

A I don't know that he talked with Colonel North about the documents, no, not for sure. They may have discussed them.

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Q Did Mr. McFarlane ask you at any time to make copies of any of the documents?

[illegible]

A I~~'m~~ don't recall making copies of anything. I'm trying to remember when Congressman Barnes was there, if we gave him copies of anything. I can't remember.

Q I believe that was in October of 1985 when Congressman Barnes was in, I think. I think that's when the date was. Do you recall him coming to Mr. McFarlane's office?

A Yes.

Q And he came alone?

A That's right. Mr. McFarlane met with him alone.

Q Do you recall if the documents were in Mr. McFarlane's office when the Congressman was there?

A I honestly can't remember if the documents were there. I can't remember.

Q Did Mr. McFarlane at any time make any comment about any of the documents to you?

A No. No, but he took things like that very seriously. Any time there was any kind of an allegation like that, I know he sought to get to the bottom of that -- and I know he sought to ascertain that everything was being done on the up and up.

Q Do you know whether Mr. Fielding reviewed those same documents?

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A I don't. Paul Thompson would have to tell you that.

MR. BELNICK: All right. Nice to see you again.

THE WITNESS: Nice to see you.

MR. BELNICK: Excuse me.

BY MS. NOURSE: (Resuming)

Q On the same topic, the same time frame as Congressman Barnes' request, do you remember speaking to Mr. -- do you remember Mr. McFarlane speaking to Ken deGraffenreid about the documents?

A No. But there's no way I would know that. He may have. He may have had me place a call to Ken or have Ken come over, but I wouldn't necessarily have known what that was about.

Q Okay. I'm going to show you another document. Unfortunately, I don't have copies for you, but you probably have seen it. If the Reporter could mark this Hall Exhibit 2.

(The document referred to was marked W. Hall Exhibit Number 2 for identification.)

If you could take a look at the document and see if you remember anything about it -- receiving it, having a conversation about it. I'll tell you up front that this is the renowned diversion memo of April 4, purportedly.

A I was just going to ask of what year?

Q 1986. I believe on the fourth page is the paragraph dealing with --

A I don't recall ever seeing this. You know, I saw a lot of American hostage things, but I don't remember the title being set out like that.

April of 1986 was about the time that Mr. Fortier became ill, and I saw almost no documents that went to Admiral Poindexter during that time frame. I did maintain control of the office log, but that doesn't look like anything. It doesn't have a number up there. So it means it wouldn't have gone through me. I mean, that number is not ours. I can tell by the way its printed on there.

Q The N 7515 is our Bates stamp number.

A We use system numbers, and I would recognize. I mean, working with them long enough, I would recognize.

Q There is no system number on that document?

A I didn't read that, but I am sure I have not ever seen that document.

Q Okay. Tell me about maintaining the log system.

A When I reverted back to the Deputy secretarial position, assistant position, that position, part of the responsibility of that position was maintaining the office log of all the documents that were within the office and where they were -- being whether they were with Admiral

Poindexter, Paul Thompson, or Mr. McFarlane.

And when I worked with Don Fortier, it would have been whether they were with Don Fortier, Paul Thompson, or Admiral Poindexter. Everything that was received in the office came to me to log in. And after logging it in, we would give it to the appropriate person it was marked for. Bob Pearson, or the executive secretary, whoever it was at that time, would indicate -- Rod McDaniel -- who should get the next routing of the document. We had routing slips on them. Those were controlled documents.

Q In other words, you have a record of each document that, for example, Admiral Poindexter saw? Is that correct?

A There is a record, yeah. There is a record on the computer now. We converted to the computer, and there is a record on the computer of every document he saw, yes. I don't know how they keep those. I mean, I don't know -- you would have to know the document number to know whether he saw it or not. But he always initialed everything in red pen that he saw.

Q So, one could search by a system number on this computer --

A And tell who saw it.

Q -- and tell who saw it?

A Um-hum. And that would be a long task. I don't think that would be an easy task.

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Q Was it also the case when you were working for Colonel McFarlane that there was a log of all documents that he saw?

Per WGtt

A Yes. That was maintained by Florence ~~Chant,~~ Gantt because she worked in the Deputy position at that time.

Q Perhaps you could explain for me the secretarial system that operated. You were speaking of being the Deputy assistant and taking care of the logs. Just give us a short explanation of the system. Frankly I'm a bit confused.

A Well, there are three offices upstairs. There is the Deputy Assistant position, the Assistant to the President position, and there is the Military Assistant. All papers were routed through all three of those people. They would go first to the Deputy, and then to the Military Assistant, and then to the Assistant. Not in all cases.

In some cases they would bypass the Deputy. If it, for instance, was a letter that had been addressed to the Assistant to the President, it not necessarily always needed to go. You know, if it was an invitation to address or something like that -- a response -- there were some things that weren't worth the Deputy's time. They just required a signature. It was kind of a bread and butter type thing~~s~~, and they would go directly to the Military Assistant and then be ~~as~~signed out.

Per WGtt

Per WGtt

Per WGtt

The system always went back through the log or the

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computer control, whichever was in effect. We had a handwritten log for a long time. And then we started putting everything on the computer. The only reason we did that in our office was just so that if somebody called us, an action officer called and said, I sent a memo over to Mr. McFarlane, can you tell me where it is? It has to go out by 5:00 today. We could look at the log real quick and find out that it was still with them or Poindexter, and we could move it. It was just to help us make sure that things got done in a timely way.

Q Were System IV documents logged?

A Yes, they were. Everything with a number on it. System IV was handled. They were very sensitive because they were intelligence documents. So they were always handled -- hand-carried directly to our office. We'd log them on our log just so we could find them if we needed to. We didn't read those. They were always in sealed envelopes with a cover sheet on the front. Sometimes you would open the envelope to see what the subject was. So that you just -- if somebody asked you, or the action officer where ~~who~~ it was because you couldn't always tell by the number on the outside.

Per [illegible]

Q Did Colonel McFarlane ever ask you to request an original System IV document from the files?

A No. Not that I can recall, no. He never stated original. Sometimes he would want to see a copy of

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something, but it wouldn't necessarily have been in System IV. I'd have never requested the original document. Original documents go to the Assistant, and he either signs them out ~~and~~ or acts on them; then they go to the files. He might at some later date need to refer to something that had been done earlier, but I usually just got a copy.

Per W Hall

Q Okay. Back to the documents, and I just have questions if you could explain some references or what you remember about certain incidents, if the reporter could mark this as Hall Exhibit 3.

(The document referred to was marked W. Hall Exhibit Number 3 for identification.)

Mrs. Hall, if you could take a look at this and read through it and when you are finished --

A What do you want to know? I barely remember this.

Q Do you recall how it is that this note was written? Did Mr. McFarlane ask you to?

A I did all -- every time I talked with someone on the telephone I wrote a note just like this. This was one of the primary functions of my job. Mr. McFarlane simply didn't have time to talk to everybody. I talked to Senators. Every time a Senator or Congressman -- you are going to find notes like this, too -- would call -- anybody I talked with, a lot of people. David Rockefeller, you will probably find a lot

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of notes from him.

But it was the function of my job to take the essence of the request, always put it on a form, because Mr. McFarlane was a very busy man. What I did is a notes folder. It's just a manilla foldér, and put "notes for RCM" on the front. All during the day, every time I got a call, I'd type it up, put it in that notes folder. He would be at a meeting, and when he came back from a meeting that's the first thing he would look at to see if anything had happened since he left the office.

And he would act on the notes. He was very good about that. If he ever didn't act on a note, it meant he didn't want to deal with it. And that was rare. I mean, he always gave you an answer -- yes, no -- and these options are my options. I make up things as I go along. And the reason I've got this "no, I don't want to see Ledeen" is about nine times out of ten the answer was "no, I don't want to see Ledeen."

Q Was that with respect to Mr. Ledeen, or in general, that he did not have time to see a lot of people?

A In respect to Michael somewhat, because Michael, as much as I like him, he was a frequent caller, and it was not possible to see him all the time that he wanted to see Mr. McFarlane. But that doesn't mean he -- you know, he had legitimate reasons, I guess, for wanting to see him, but he just -- you give him five minutes one day, it gets to be continuous calls.

Q Did Mr. McFarlane meet with Michael Ledeen fairly frequently?

A I wouldn't say frequently, not as frequently as Mr. Ledeen would have liked to have seen him. But frequently in the realm of things, yes, considering how busy he was and how complicated his schedule was. I think that I wouldn't say frequently; I'd say maybe one out of every ten times. And I would say not more than -- I don't know. If I could see my calendars -- I mean everything is on my appointment books. Somebody has those -- the FBI or somebody -- and you can see. You know, records -- Mr. McFarlane has his records of schedule.

Q I wanted to ask you about the records of schedule. Is it your understanding that the records of schedule are actual verbatim records of who Mr. McFarlane saw?

A They are close. They are not actual verbatim. That's impossible. It is absolutely impossible for it to be verbatim, because that's a very busy office and the person that kept the records of schedule was Kay Zerwick, his secretary. And if she happened to be away from her desk, or she didn't happen to see the phone ring, or something, it's possible that something got omitted.

Per WGH

But as far as meetings I would say that the records of schedule are probably pretty accurate. The only case in which they wouldn't be accurate is maybe if Mr. Regan or the Vice President, or somebody from the staff were to just walk in for a minute or two and somebody missed them going in and out. You know how you get so used to seeing people coming and going. They would notice a visitor, because a visitor would have to be cleared and scheduled.

So you would know that that person was in there and it would be on the appointment book and it would also be in the record of schedule. You see, one thing about the record of schedule that is a little bit confusing, too, is that Kay Zerwick, that was one of the functions of her job was to keep the record of schedule during the day. And then at night a night secretary typed that record of schedule.

And there were times when I would go back and look for something that I knew took place, and I would find that it wouldn't be there, for one reason or another, or I would find typos in the timing -- like a meeting that I knew he couldn't have had at 11:00 because he would have been in a meeting with the President. They would have it at 11:00 and the meeting actually took place at 10:00 or something like that.

So, I would not say that those records were verbatim. I would say they were probably 90-95 percent correct.

Q Okay.

A As correct as you can be unless you had one person totally focused on one other person constantly.

Q Getting back to Exhibit 3, which is a note from you to Mr. McFarlane on July 11, 1985, regarding an appointment that Mr. Ledeen sought, can you remember anything else about this incident? Was there ever a conversation that you had with Mr. McFarlane about meeting with Michael Ledeen at this time?

A This meeting apparently took place, because I've got it on here. It is my handwriting. 8:00 a.m or 9:00 a.m., or 10:00, the Xerox is so bad. It's probably 10:00, because on Saturdays Mr. McFarlane liked to come in and go through his intelligence stuff before he had meetings. I generally didn't start meetings on Saturday until around 10:00.

Q And is this notation on the left yours as well -- Res. [redacted]

PRIVACY

A Yes. Residence. I always put a point of contact, and I always put the name of the person who called me unless its the person that I actually talked with. If it's a secretary, I put her name and phone number. If it's a staff person, I always put -- that's because this meeting was scheduled by me at some point, July 11, 12, or whenever I scheduled it. The time of the appointment is on here.

But we put it in a folder and I might not have been working on that Saturday, and if Mr. McFarlane came to the office on Saturday morning and saw that Michael Ledeen was on his calendar for 10:00, he'd say why is he on my calendar, why am I seeing him? Then the secretary, whoever it was, could put the folder and say, well, you agreed to do it. I mean, you know, because seems like -- I don't know how to explain it in that office. I'm sure these offices are busy up here, too.

But, I mean one day out there is like a week. So much happens in a 24-hour period.

Q I'm beginning to understand how that is. Are these notes that you take of telephone conversations kept in one central file?

A They were in his -- I have a file entitled notes to RCM. It should have been in his chron files. I don't know where you got these from. Did he give them to you or did they come from the files? I would think they came from your White House files.

Q We received these from the NSC.

A Yeah, so they are part of his official files.

Q Moving on to another one of these documents, this document is a PROF. What I would like to ask you is basically the format and not the content. I'm not interested in discussing the content on the record. If the reporter could mark this --

A I can't read this. Who is it from?

Q All right. That is what I wanted to ask you. If the reporter could mark this as Hall Exhibit 4.

(The document referred to was marked W. Hall Exhibit Number 4 for identification.)

A I can't read it. Do you have a better copy?

Q Unfortunately not. If I could, all I'm concerned about are the first five lines. If I could just read to you what I think they say. It says: "note from Robert McFarlane subject note to the President, subject sensitive operation in Nicaragua." I'm not concerned with the content of the note. Maybe this is a better copy.

I think that the message indicates that it is from Mr. McFarlane to you.

A No. Well, there is somebody else that it's to.

Q That's what I wanted to ask in terms of the format here that's used.

A He addressed it to me, but there is somebody else's name on it. Wait a minute. I'll have to read it to figure it out.

Oh yeah, I remember this. This was a note from Mr. McFarlane to the President. And he sent it to me. I guess I am the only addressee. This was a very sensitive, extremely sensitive operation.

Q Yes, I understand.

A We did an original only of this. It went to the President, and the President made a decision.

Q What I wanted to ask you was how often this kind of communication took place whereby Mr. McFarlane would sent you a PROF note.

A This is the kind of thing that he would send only to me and no one else in the office -- except maybe the Admiral would see something like this -- because of the sensitivity. Not often. Rarely. But when it was very special, sensitive operations like this, and he wanted the President to make a decision -- wanted the President to be aware and make the decision -- he would do them personally.

And it was usually based on information from Director Casey, or maybe Secretary Shultz. He and Shultz would have talked about it on secure or he and Casey would have talked about. These were extremely close hold. But he did put them in written format.

And I know of one or two other incidents that he did this and I would not want to put it on the public record because they are extremely sensitive.

Q I understand.

A They do not have to do with Nicaragua, however.

MS. NOURSE: Off the record for a minute.

(A discussion was held off the record.)

BY MS. NOURSE: (Resuming)

Q Back on the record. Let me just take a minute to explain that this Exhibit 4 is a PROF note, our Bates stamp number 17800, and it is dated April 3, 1984 at 9:34:50. Let me just clarify. This was an unusual practice?

A Unusual, yes. Mr. McFarlane did that only when it was extremely sensitive, and this was something that came from him from Secretary Shultz or Director Casey. It was usually Cabinet level. [redacted] and because of the time crunch it was not possible to have a courier get it there, because there was a timing problem and the President needed to know about it right away.

Q You would type this up in a note to the President?

A Yes. Original only.

Q Original only?

A Right.

Q Do you know what happened to those orignals?

A Sometimes the originals came back to us. Sometimes, I don't know what happened to them. I guess the President kept them. Maybe he burned them in his ashtray. I don't know.

Q I understand.

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A I don't mean to be a smart-alecky.

Q That's okay.

A I don't think he would do that because they are for the record. Otherwise they wouldn't have been written.

By the way, these that came back to us would be in our files. Even though they are sensitive, they would be in Mr. McFarlane's chron or in the intelligence files. So you should be able to -- the original of that exists somewhere.

Q Okay. Let me show you another PROF, and this is probably the last document. If the reporter could mark this as Hall Exhibit 5.

(The document referred to was marked W. Hall Exhibit Number 5 for identification.)

This is a PROF note, our Bates stamp number N17808. I believe it is from you, Mrs. Hall, to Mr. McFarlane, August 19, 1985. Tell me when you've read it.

(Pause.)

A I've read it, but I never did know what "soap" meant.

Q That was one of my questions.

A I have no idea.

Q Do you recall this incident?

fah WGH

A I remember that PROF note. This was again a case of where I ended up talking to people who -- I was an extension

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of Mr. McFarlane. Everybody who couldn't talk to Bud knew that they could talk to me, and that it would be the same, because they knew that I would pass it only to him and to no one else. I didn't talk about things like this.

Q And you did not know at that time--

A Never thought I'd see them again either.

Q I suspect very few people did.

At that time you did not understand what the term "soap" or "replenish supply" meant?

A I don't even know that Mr. McFarlane did. You know, Michael Ledeen called and gave very cryptic messages sometimes, and I would pass them to Mr. McFarlane, and he would look very puzzled. So I think you really need to follow up with him.

Q Okay. Fine. I retract my statement. One more document. Let's see if you can enlighten us on this one, if the reporter could mark this as Hall Exhibit 6.

(The document referred to was marked W. Hall Exhibit Number 6 for identification.)

This is a set of PROF notes, our Bates stamp numbers N17804 to 17806. The PROF notes are all dated June 12 or 13, 1984, three pages. It concerns conversations with Per Walt Geoff ~~Jack~~ Kemp relating to Mr. Khashoggi. And after you've had a chance to read them all, I'd just like to ask you if you recall anything specifically about this incident.

(Pause.)

A Okay. I've read it.

Q Do you recall having conversations with Mr. McFarlane about Mr. Tyson's request and the subject of the PROF notes?

A These are the extent of my conversations with Mr. McFarlane about Chuck Tyson. I had no verbal conversations with him about Chuck Tyson. I don't know -- I think Mr. McFarlane was surprised that Chuck went to work for Mr. Khashoggi. Mr. McFarlane had received a number of documents in the past from Mr. Khashoggi, who saw himself as sort of a Middle East peace initiator. But basically he sent these documents to Mr. McFarlane for information.

They were[illegible] given to ~~Jeff~~ Geoff Kemp.

Q Do you know why Mr. McFarlane was surprised that Chuck Tyson would go to work for Mr. Khashoggi?

A It would just be an opinion on my part, but I think that he thought that Mr. Tyson had more integrity than to work for Mr. Khashoggi.

Q Do you know what the K operation referred to in these notes is?

A I have no idea what that is. I was just conveying a message. I didn't understand it. I think that Mr. Tyson knew that -- I think the K operation at that time, what Mr.

Tyson was referring to -- and again it is just strictly an opinion on my part -- was these documents that he had had delivered about he wanted to be sort of a negotiator. He was a very wealthy man, who, you know, sort of wanted to play with power, I think, basically. ~~bassically.~~

PER WITT

And I think he thought that his access to the White House was -- he wanted to be perceived as being more important and playing a more important role than he really did. I don't think Mr. McFarlane ever trusted him.

Q Okay. I just have a couple more questions.

A Those papers should be in the file, by the way.

Q The papers that are the subject of these PROF notes?

A Well, the papers that Mr. Khashoggi previously delivered -- big, thick packets of stuff, which Mr. McFarlane didn't even take the time to read. He sent them to Groff ~~Jeff~~ to be analysed. So they should be in the files.

PER WITT

Q I understand that Fawn Hall, Oliver North's secretary, is your daughter.

A That's correct.

Q During November of this past year, 1986, did you have any conversations with her about the revelations that had arisen about the Iran-Contra affair?

A No. Fawn and I did not discuss our work. That is one thing that -- we were both very professional in our jobs and we did not discuss our work. I didn't know anything about anything she did for Colonel North, and she didn't know anything about anything I did for Mr. McFarlane. It was none of her business, and what she did was none of mine. The only thing I did say is the day the resignations -- I mean, I was as shocked as everyone, because I watched Mr. Meese's appearance with Dr. Keel, and I was totally floored.

I sent her a note that said that she should not discuss it with anyone because I knew that she would be very very emotional because she was very committed to working with Ollie, and she believed in what they were doing -- her work with him. And I knew she would be very emotionally upset and I knew a lot of people would probably be asking her questions. So I sent her a note and suggested to her just to tell people that she didn't want to talk about it, or she didn't know, or anything, because she had to have time to get used to the idea.

I did that as a mother, not as a secretary. I would have called my daughter from home if I had been working at home, too. I just think that when you are a mother you think your kids are always kids. But it's not because I had any special knowledge of anything.

Q Have you had any conversations with her since that time about this matter?

[Laughter]

I certainly hope she's had conversations with her daughter, and I'm sure she has.

A Yeah, oh, yes. No, except just the usual things that you see in the paper and things like that, nothing as far as documents or their relationship, or anything she may have done, or may not have done, or anything. I mean, I know there has been an awful lot of stuff in the paper and it's very upsetting to all of us.

Q No discussions about altering documents?

A No. She does not discuss those things with me.

MS. NOURSE: Fine. Mr. Hall, do you have some?

EXAMINATION ON BEHALF OF THE HOUSE COMMITTEE

BY MR. HALL:

Q Just a couple of brief questions. Recognizing, of course, that the volume of your workload is very heavy, do you recall seeing or typing any document, other than the one Victoria showed you, relating to a diversion of funds to the Contras from the Iranian Arms sales?

A I didn't do any typing like that. I mean, no. That wouldn't have been something I think would have been done in our office. I don't even know -- that's not a format that I would use there.

MR. MC GRATH: Let the record show that Mrs. Hall has not identified any other document that she saw or typed relating to the diversion of funds to the Contras.

MS. NOURSE: Yes.

BY MR. HALL: (Resuming)

Q That's the document that Victoria previously showed you which related to the diversion.

A Okay. I did not read that document. I simply scanned it, but I'm absolutely certain I've never seen that document.

Q Have you ever heard--

A I may have handled that document, but I have not read it or seen it before. I mean I may have given it in an envelope or something. I mean I have no way of knowing. I have no knowledge of the document.

Q Have you heard discussions among individuals at the National Security Council speaking specifically about Admiral Poindexter, Colonel McFarlane and Colonel North regarding the diversion of funds.

A I've not heard any conversation about diversion of funds in the White House, except since this thing broke out. People have been talking about it. But no.

MR. HALL: Thank you.

MS. NOURSE: That's it.

MR. MC GRATH: I would like the record to show that Mrs. Hall had no advance notice of today's deposition. She agreed at the last moment to testify here voluntarily today and has exhibited extreme cooperation with the

Committee Members and Staff.

MS. NOURSE: I concur with that. And I thank you very much for taking the time to come down here and sharing with me the wonderful intimidation of that machine.

(Whereupon, at 11:41 a.m., the taking of the instant deposition ceased.)

____

SIGNATURE OF THE WITNESS

Subscribed and sworn to before me this ______ day of

___________________________, 1987.

____

NOTARY PUBLIC

My Commission expires: ______________________________

UNCLASSIFIED

CERTIFICATE OF REPORTER

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

NOTARY PUBLIC

My Commission expires February 28, 1990

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W. HALL Ex.#1

N 17815

role in all this is from the Israelis; this was an excellent operation, well-prepared and well-run; that he believed it was important that the record on all this be absolutely accurate; in our best interests that public not be misinformed and he wanted to be helpful; wanted to talk with media to be helpful. In the telcon with Dr. Keel, Ledeen was "muzzled."

Dr. Keel has asked me to check with you for your thoughts on Ledeen -- and whether/how we can use him. Should he be permitted to do any TV appearances, etc?? You may wish to address Dr. Keel directly.

Thanks for your thoughts.

cc: NSAGK --CPUA ALTON G. KEEL

Michael Ledeen
NOTE FROM: NSWGH --CPUA TO: NSOLN --CPUA 11/20/86 17:10:28
To: NSOLN --CPUA

x2

-- SECRET --

NOTE FROM: WILMA HALL
Subject: Michael Ledeen

Bud is "out of pocket" and has not seen following note. Dr. Keel has asked me to forward note to you and Howard Teicher for your thoughts on "letting Michael Ledeen loose; could he be helpful"? I'm not sure that Howard knows that we still have profs to Bud & want to protect that so could I pls ask you to discuss with Howard and give me something from both of you for Dr. Keel. I will send separate note to Howard on this and cc you. Many thanks for your help.
*** Forwarding note from NSWGH --CPUA 11/19/86 17:38 ***
To: NSMCF --CPUA ROBERT MCFARLANE

42

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by K. Johnson, National Security Council

-- SECRET --

NOTE FROM: WILMA HALL
SUBJECT: Michael Ledeen

Was asked to appear on NIGHTLI [redacted] ught re Iran but this invitation no
longer valid since NIGHTLINE i oing to address this subject.

1. Michael Ledeen called to say e urged to talk with AIPAC this
afternoon and planned to do it very important to do so;
wants to help and (2) wants ing he will be muzzled." This
question comes about as a re -Ledeen telcon on Nov 13 wherein
Ledeen said he had been be alists who know roughly what his
role in all this is from th his was an excellent operation,
well-prepared and well-run ved it was important that the record
on all this be absolutely accu r best interests that public not
be misinformed and he wanted to be he l; wanted to talk with media
to be helpful. In the telcon with Dr. Keel, Ledeen was "muzzled."

5334

Dr. Keel has asked me to check with you for your thoughts on Ledeen -- and whether/how we can use him. Should he be permitted to do any TV appearances, etc?? You may wish to address Dr. Keel directly.

UNCLASSIFIED TOP SECRET [redacted]

20 NOV 86

W. Hall Ex. # 3
11 Jul 85

UNCLASSIFIED

N 10579

July 11, 1985

PCM:

JMP talked with Michael Ledeen this morning about an urgent message from Peres for McFarlane which Al Schwimmer, a Jewish-American who provides lots of money to Peres, wants to deliver to PCM.

In the meantime, Schwimmer has flown down here and had lunch today with Michael Ledeen and Ledeen has called back with the following:

> "It is indeed a message from Prime Minister of Israel; it is a follow-on to the private conversation he had last week when David Kimche was here. It is extremely urgent and extremely sensitive and it regards the matter he told David he was going to raise with the President. The situation has fundamentally changed for the better and that I must explain to him because it will affect his decision. It is very important. It won't keep more than a day or two but could keep until Saturday morning. This is the real thing and it is just wonderful news."

Should I try to schedule Ledeen to see you?

_____ Yes, Friday afternoon

__✓__ Yes, on Saturday

_____ No, I don't want to see Ledeen

Other: ________________________________

Wilma

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PRIVACY R [redacted]

5337

5:00 Mon. Sat [illegible]

UNCLASSIFIED

RCM-a
12/30/86

WILMA HALL
Exhibit 5
2 pgs

DENIED IN
TOTAL

5338

FILE: NOT [redacted] NO WHITE HOUSE COMMUNICA[redacted] **UNCLASSIFIED** PAGE 00035

N 17808

W. HALL EX. #5

[redacted]

[redacted]

[redacted]

MSG FROM: [illegible] --CPUA TO: NSRCM --CPUA 09/19/85 10:30:09
To: NSRCM --CPUA ROBERT C. MCFARLANE

-- SECRET --

NOTE FROM: WILMA HALL
SUBJECT: Michael Ledeen

It is urgent that the government deny the alleged Syrian role in Weir's release. Don't know how best to do this -- perhaps Noon Briefing, perhaps Noon Briefing.
Goshko story in Post (front page) this morning says that Assad was involved. Not true and it is very bad.

The other subject -- issue of replacement: the people who sold the soap for us want to replenish their supply.

Going to Minnesota today -- returns tomorrow at 3:00 pm.
Michael Ledeen

[redacted]

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5339

UNCLASSIFIED

W. HALL EX. #6

N 17804

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

MSG FROM: [illegible] --CPUA TO: [illegible] --CPUA 06/12/86 16:20:41
To: [illegible] --[illegible]

-- SECRET --

NOTE FROM: FAWN HALL
SUBJECT: Chuck Tyson

Chuck Tyson called today -- after some deliberation and taking time to check things out, Chuck has taken a position with Khashoggi and will be moving to Madrid, Spain. Mr. K has a major trading operation in Madrid which Chuck will be in charge of -- the majority of the business in the trading world flows from there. Chuck has known about your and Geoff Kemp's contacts with Mr. K for some time but has not been in a position to discuss with you previously.

In our conversation, Chuck was very discreet on the phone -- double talking without using Mr. K's full name. He would like to meet with you for 10 minutes sometime this week to talk. Are you willing to see Chuck for 10 minutes?

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SECRET

5340

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N 17805

x[illegible] 1

REPLY: A couple of weeks ago, Chuck came to me to ask if I knew what the problem was between the two of you. I told him I was not aware of any problem; that you maintain an extremely busy schedule and I had not been able to work out a meeting with you. He said he felt that there was some sort of problem -- was VERY concerned about his relationship with you; knows there has been a problem upstairs but has always had a great deal of respect for you and what you are doing to help the President -- which is of primary concern to him. He said he has been working for the President for 14 years; wants to continue to do whatever he can from the outside to support and help him in any way he can.

COMMENT: I know there are many things which I am not privy to which no doubt have some influence on the situation with Chuck but I am convinced that Chuck is very sincere in his admiration and respect for you.

Chuck Tyson
RLd FROM: NSWGH --CPUA TO: NSRCM --CPUA 06/13/84 15:11:05
To: NSRCM --CPUA

-- SECRET --

NOTE FROM: WILMA HALL
SUBJECT: Chuck Tyson

Tyson called -- I told him that you regretted that you would be unable to meet with him. He wanted to know if you understood that he sought the meeting to deliver "a message" from the gentleman you met with -- that RCM has a particular interest in the message.

I said that we had not made it clear in yesterday's meeting that he was carrying a message but that I would recheck it with you.

Chuck Tyson
MSG FROM: NSRCM --CPUA TO: NSWGH --CPUA 06/13/84 15:50:10
To: NSWGH --CPUA

-- SECRET --

NOTE FROM: ROBERT MCFARLANE
Subject: Reply to Re - 06/11/84 15:11 Chuck Tyson
Please make it emphatically clear that no such contacts are authorized by anyone on the NSC staff.

Reply to Note 06/11/84 15:11 Chuck Tyson
MSG FROM: NSRCM --CPUA TO: NSWGH --CPUA 06/12/84 16:59:42
To: NSWGH --CPUA

-- SECRET --

NOTE FROM: ROBERT MCFARLANE
SUBJECT: Note to Geoff Kemp EYES ONLY (In sealed envelope)

I have learned that the circle of knowledge concerning the [illegible] operation has widened even further than I expected. I don't believe this is a consequence of

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[redacted]

any [illegible] here but it persuades me that the operation lacks integrity and thus, I want nothing to do with it. Please advise Shaheen of this and say that while I am sorry I must ask that no further representations be made of US willingness to become involved. You may tell him why.

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N 17806

cc: NSWGH --CPUA

Note to Geoff Kemp EYES ONLY (In sealed envelope)   06/15/86 13:26:46
MSG FROM: NSWGH --CPUA   TO: NSBCH --CPUA
To: NSBCH --CPUA

-- SECRET --

NOTE FROM: WILMA HALL
SUBJECT: Geoff Kemp

Geoff is seeking clarification from you on your note re the K operation. Geoff needs to know whether your instructions to him mean "just BCH" will not have anything to do with K or whether Geoff Kemp can still meet with K and [redacted]

In response to my PROFS note re Chuck Tyson's request to see you, you said "Please make it emphatically clear that no such contacts are authorized by anyone on the NSC staff."

Geoff asked me to query you on this -- he simply wants to get your clear guidance so that he can act accordingly and not violate your instructions.

Geoff Kemp
MSG FROM: NSWGH --CPUA   TO: NSBCH --CPUA   06/10/86 16:25:47
To: NSBCH --CPUA

+3

-- SECRET --

5335

NOTE FROM: WILMA HALL
SUBJECT: Kemp and Mr. K

Geoff called and asked that I pass the following to you: "Geoff called Shaheen and passed on your instructions and said because of leaks, we could not proceed at this time; that Kemp would contact Shaheen if and when things changed but that for the time being, there should be no contact. Shaheen said he 'fully understood.'"

Kemp and Mr. K

[redacted]

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by K. Johnson, National Security Council

TOP SECRET [redacted]

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RPTS BOYUM

DCMN SPRADLING

COPY NO. 1 OF 2 COPIES

DEPOSITION OF EUGENE HASENFUS

Thursday, January 29, 1987

House of Representatives,
Select Committee to Investigate Covert Arms
Transactions with Iran,
Washington, D. C.

The select committee met, pursuant to call, at 9:30 a.m., in Room 2226, Rayburn House Office Building, W. Neil Eggleston [deputy chief counsel for the committee] presiding.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

4390

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Whereupon, EUGENE HASENFUS, after having been first duly sworn, was called as a witness and testified as follows:

EXAMINATION

BY MR. EGGLESTON:

Q Mr. Hasenfus, let me inform you that my name is Neil Eggleston, I am Deputy Chief Counsel of the House Select Committee to Investigate Covert Arms Transactions with Iran. This is an investigation that is being conducted by the House of Representatives Select Committee into the activities of various individuals involving both Iran and Nicaragua.

Also present with me are George Van Cleve and Mike O'Neil, who are both also with the House of Representatives.

You are appearing here today pursuant to a subpoena which was issued by the House Select Committee. I take it you have received a copy of the subpoena. I don't intend to read it to you.

In addition, let me just say for the record that your lawyer is also present with you, is that correct?

A Correct.

Q Before we sort of get under way, let me just ask you, the subpoena has an attachment to it which calls for the production of various records, and is it my understanding do you have any documents to produce pursuant

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to this part of the request?

. A I have all my bank transactions that were acquired before--through Griffin Bell for our case in Managua plus a few other bank notes, and everything to do with [redacted] National Bank I have with me.

. MR. PLEGER: If I may, did the bank produce the records that you requested?

. MR. EGGLESTON: Let me say the bank produced various records as well.

. THE WITNESS: We have a duplicate with us, so it--

. MR. PLEGER: From the [redacted] National Bank.

. MR. EGGLESTON: Yes.

. If you could produce those to me I could determine if they correspond with those that I have received from the bank.

. THE WITNESS: All right, and this is all I have.

. MR. EGGLESTON: I will just take a minute and look over this and see if it look like a duplicate of what I have.

. (Discussion off the record.)

. BY MR. EGGLESTON:

. Q This appears to be a duplicate of what I received late yesterday from the bank.

. A I dug out a few, they are all burned-off copies.

. Q That is referring to other bank records?

. A They are the same ones. When I was hired to right now, the bank records are hardly used, there was hardly any checks written out or anything there, and in the time between there was no real transactions at all.

. Q Other than the records that you received that appear to be copies I received from the bank, do you have any other records that you brought with you?

. A I have one other one that is interesting, it came through from Gary Edward from the Corporate Air Service from Curllsville, Pennsylvania, that regards the W-2 form more or less, you may look at it saying how much money I made for tax purposes. That came through the mail the other day. This is the first it has been shown to anyone..

. Q If it is all right--

. MR. PLEGER: The thing of interest is the total is different than the three checks that he has records of being paid in deposits.

. THE WITNESS: Two thousand-some dollars difference.

. BY MR. EGGLESTON:

. Q And an additional check of 2700 or so.

. A Correct. That is the one that would show on these other records.

. Q I think what I will do is at the conclusion is make a copy of this. I assume you will need this to complete your tax returns. So I will make a copy of it and return the original to you.

A Sure, that will be fine.

Q Anything else?

A Yes, while I am going through, it says employment or activity as cargo handler or otherwise in or over Nicaragua [redacted] the only book I kept was a small one here and I didn't really fill anything out because in here I have a few phone numbers which I believe everybody has, those are my brother's. When I started out I just said I was hired July 7, '86, just a few small things and a couple times when I did make these specific flights into Nicaragua, but they are not all here.

After a while I thought it was indifferent really to keep track of them. And there are a--

MR. PLEGER: Maybe you could look over those pages.

THE WITNESS: Yes, and I have my passport.

MR. EGGLESTON: If you would hold up for a second, let me look at this and see if I have any questions I want to ask you about before we proceed any further, although I think I will probably pick it back up as I go through the chronology.

BY MR. EGGLESTON:

Q The rest of it is blank?

A Yes. I was questioned by the FBI on these things so I brought it along. That address that you see in there from Corporate Air Service is one I found in an envelope while in [redacted] and copied it down, otherwise previously I never had an address. It was never given to me.

. Q Let me do this. I will return to this when I get to the chronology. I will try not to forget about it. Let me look at your passport. As to each of these, what I will do is make copies and return them to you.

. A Fine.

. Q Let me just take a look at this.

. Mr. Hasenfus, okay, is there anything else?

. A I was just going through it, but not limited to such materials, contracts--well, the contracts that were signed between Corporate Air Service with Bill Cooper, there was one copy made just as we are sitting here, there was one copy made, we asked for duplicates for ourselves, we were promised them but never received them.

. It says pay records, we have copies of those sent from the bank there.

. Flight plans, logs, journals or notes, flight survival guides, manifests, crew lists, I have none. They [illegible] no such things. There were a few as far as manifests or [illegible] lists, the only things that were probably there were Buzz Sawyer kept a personal log book of his own, like most pilots will, to keep track of their hours, type of aircraft, but as far as crew lists, I have names here.

Q These are just names that you have produced from your memory.

A These are the people that were in [redacted] that were people that were there.

Q Why don't I ask you to hold off on that until I get to that. Just for the record, what you were pointing to is a yellow pad that reflects things you have written down since you have returned [redacted]

A Correct. Flight survival, crew lists, identity cards--every ID card I had was in my wallet at the time of capture and it was taken over and I have not seen them. They were all, I believe everybody has photocopies of them, that the Sandinistas gave out. Invoices received or accepted in delivering shipments--nothing like that.

Customs forms required, nothing there, during flights messages, none. Filings with the United States Government, all the flight plans, I had nothing to do with them.

Q I understand, so you had nothing that is responsive to that part?

A Even to Part B, efforts to assist anti-government forces in Nicaragua with any person directly or through third parties--there is nothing in there at all.

MR. EGGLESTON: The individual who walked into the room shortly after the deposition started is a man by the name of Tom Smeaton.

. THE WITNESS: How [redacted] do you do, Tom.

. MR. SMEETON: How do you do.

. MR. EGGLESTON: Mr. Smeaton is also involved with the House Select Committee.

. BY MR. EGGLESTON:

. Q As to point 2, all materials relating to, then I won't read the whole thing because it is a long list, related to various different corporations and individuals. Do you have any documents that are responsive to any of these?

. A No, I have no documents at all, just running through the names, there are certain names that appear that I do know.

. Q But you have no--

. MR. PLEGER: Talking about materials.

. MR. EGGLESTON: You have no documents or materials or other information other than testimonial about any of these individuals?

. THE WITNESS: No, nothing.

. BY MR. EGGLESTON:

. Q As to three, you produced your passport, you have produced an appointment--I guess it is--

. A A little ledger of my own there.

. Q Have you produced as well other address books and other compilations of addresses during the relevant time period?

. A I have addresses here of the people, they are scribbled down here, of the people from these names of most of them. The rest I don't have. These were all written down. These are names that will come up off this yellow pad.

. Q But again as we get through it I will have these marked, but as to these, these are names and addresses that you have produced subsequent to your return to the United States?

. A Correct.

. Q These are not documents that you had during the course of the time that you were in Central America?

. A Correct.

. Q We are now at number four, documents sufficient to identify bank accounts, residential telephone numbers used by respondent. I understand that you have produced to us earlier copies of your bank accounts and I take it that is the only bank account that you maintained during this time period?

. A Correct.

. Q You did not have other bank accounts?

. A I have another bank account which Sally and I accrued it many years ago in [redacted]

[redacted]

Q Is it a checking account or savings account?

A I think we just have a savings account and a couple bank loans, auto loans and IRAs through them.

Q Okay. And was that bank account used at all to receive deposits from--

A No, everything that had to do with myself, Corporate Air Service, was all through the [redacted] National Bank.

Q Five, copies of all materials provided directly or indirectly through counsel. Have you made, five appears to refer to documents which you may have provided to other investigative and law enforcement agencies. Have you made document production to any other government agencies?

A No, just verbal when the FBI and Customs--we had a meeting there in Marinette at Mr. Pleger's office.

Q Let me ask you about that. I think that concludes the questions I have about the subpoena.

Let me ask you first, have you testified formally prior to this?

MR. PLEGER: No, he has not.

THE WITNESS: No.

MR. PLEGER: He had about 7 or 8 hours of interviews by two FBI agents who were working at the behest of the Special Prosecutor and three men from the Customs Service, but he was not sworn, there was no transcript made, and no testimony taken as such.

MR. EGGLESTON: There is a second page and I will get to that in just a second.

BY MR. EGGLESTON:

Q Was the meeting you had with FBI and Customs, were those separate meetings or was that a joint meeting?

A They were separate.

MR. PLEGER: Do you want the dates of those meetings? Does it make any difference?

MR. EGGLESTON: I would appreciate that actually if you have the dates.

MR. PLEGER: The FBI meeting was January 5th, and January 6th with the people from Customs Service.

MR. EGGLESTON: Those meetings took place at your office?

MR. PLEGER: In Marinette, Wisconsin, that is correct.

MR. EGGLESTON: Let me return to subpoena 6, says all materials relating to legal proceedings by Nicaraguan authorities in 1986.

MR. PLEGER: In that regard he didn't have materials, but I did. I did secure a copy of the charges and I will give you one. I have a duplicate so if you are interested in that, there it is. I also secured a photocopy of his handwritten confession, however the photocopy is so poor that most of it you cannot read, but you are welcome to make a copy of it for what it is worth, and maybe get a better copy from Managua if they will share it with you.

MR. EGGLESTON: Could I have these marked as Committee Exhibits EH-1 and EH-2.

[The following documents were marked as Exhibits EH-1 and EH-2 for identification:]

******** COMMITTEE INSERT ********

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MR. EGGLESTON: Before we proceed, let me ask. Is this the best copy of what you have of what is now EH-2.

MR. PLEGER: They were both poor, one was slightly better than the other, and I didn't have the other to compare it with so I don't know if you have the best one or not. If I find a better one, I will send it along to you.

You make reference to statements given. He was interviewed in jail and a transcript was made of an interview on November 7, 1986 with an attorney Laun, who was not his attorney but was permitted to interview him in jail in Managua. I have a copy of that transcript. I don't think it will be of any interest to you, but if you want to take a few minutes to look through and see if you want to have it marked, I am sure that would be fine, also.

THE WITNESS: I haven't even had a chance to see that.

MR. PLEGER: I gave a copy to Sally some time ago of Laun's statement.

MRS. SALLY HASENFUS: I don't recall that.

MR. PLEGER: Yes.

I think you will find it deals primarily with the question of how they were treated in his presence. The attorney who took the statement was writing the constitution for the Nicaraguan Government, the Sandinista Government, and I think the thrust of it all was, aren't you being

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treated well? Aren't they taking good care of you--at least that is what I got out of it.

BY MR. EGGLESTON:

Q Prior to this interview with Mr. Laun on November 7, 1986, had you ever met Mr. Laun before?

A No, I had not met him at all. This was at a surprise meeting. Many of these were set up where all of a sudden they would come up to my cell and say someone is here to meet you. That is all. You go down and this was a particular surprise, I was just ordered to answer all his questions the way he wanted them.

Q Have you seen Mr. Laun since?

A No, I have not.

Q And I take it that between November 7 of 1986 and today, this is the first time you have seen this?

A This surprises me. I didn't even know of this.

MR. EGGLESTON: Let me have this marked as EH-3.

[The following document was marked as Exhibit EH-3 for identification:]

xxxxxxxxx COMMITTEE INSERT xxxxxxxx

BY MR. EGGLESTON:

Q I am going to ask you about Item 7, about the subpoena as we go through the questions that I will be asking.

A Okay.

Q So essentially do you have anything else that is responsive to the subpoena?

MR. PLEGER: I think that is all. Other than personal notes that I made down there, no, I have nothing that could be called a document of the sort you ask for.

BY MR. EGGLESTON:

Q It is your understanding that you have now turned over everything that you believe is responsive to the document portion of the subpoena, Mr. Hasenfus?

A Correct. Unless you want to get into military proof you know that I was in the Marines or I was in Air America, if you need any documents like that, I have a copy here of my military record and stuff. As far as Air America going through there, it wasn't set up like the military or anything but I have an old book saying that I was a member of Air America, this one is dated 23 February '68, but it [illegible]t to before that. My employment with Air America was [illegible]6 through 1972.

Q Okay.

Let me have these marked EH-4 and EH-5. Again I will copy them and give them back to you.

. [The following documents were marked as Exhibits EH-4 and EH-5 for identification:]

. ********* COMMITTEE INSERT ********

MR. EGGLESTON: EH-4 is a copy of Mr. Hasenfus' military record; and EH-5 is a copy of a document which reflects that he had some affiliation with Air America.

THE WITNESS: That is all these do. This is just a medical certificate which you had to have from the FAA. This is just some fund from Air America, I don't think it has any regards to anything. It will have my name on it showing that I was in Air America the same as this, according to the address.

I do have ID cards from Air America but I did not bring them with me. What happened, while I was away and Sally was aware the pop. that were in our house sort of took over and they had a little nerve center running a free Hasenfus campaign, so much of this was taken out of the house, pictures and stuff like this that were from Vietnam, and if they are necessary, I can produce them at another time.

MR. EGGLESTON: If we decide they are necessary, I will ask your attorney to contact you.

MR. PLEGER: That relate to photographs?

MR. EGGLESTON: Mr. Hasenfus just indicated that he thought he might have back at the house--

THE WITNESS: I have an ID card and another passport or passports that will show I was in the vicinity of Southeast Asia throughout this time period with Air

America, it will show visas, time in and out of Laos, time in, etiquette.

MR. EGGLESTON: I think that would be helpful. If you can provide copies of those to the committee I would appreciate it.

THE WITNESS: The only other thing I have is a couple school certificates from the Service. I don't know if they would be applicable. They were just from schools, the regular school and airborne school and stuff like that, and a certificate of acceptance into the Marines and my discharge and stuff like that.

MR. EGGLESTON: Why don't you leave those with me and I will look at them after the deposition is over and we will decide which of those we need to make copies of.

MR. PLEGER: Again for the record, you asked for earlier passports he said he had and what els ? Is that it, there was some reference to photographs.

THE WITNESS: There are no photographs, but what we are talking about is I have an ID card.

MR. PLEGER: All right.

THE WITNESS: An ID card from Air America, but I have two expired passports.

MR. PLEGER: All right.

MR. EGGLESTON: If you would produce those to the committee, I would appreciate it.

UNCLASSIFIED

MR. FLEGER: These should be sent to your attention?

MR. EGGLESTON: Yes.

BY MR. EGGLESTON:

Q Mr. Hasenfus, now what I would like to do is just ask you a series of questions, substantially in chronological fashion, starting as I always start with background and up through essentially your return to the United States in late 1986.

As we do this if at any time you don't understand the question or I have phrased it poorly or you need more information before you can answer, just let me know and I will rephrase it or whatever in order to help you out.

Can you tell us where were you born.

A Born in Marinette, Wisconsin.

Q And what is your date of birth?

A January 22, 1941.

Q And where did you grow up?

A I grew up in Marinette County.

Q How much education have you had?

A Twelfth grade.

Q And I take it there comes a time when you enter into the military, the Marines?

A Correct.

Q What year was that?

UNCLASSIFIED

. A It was 1959.

. Q And between the time that you--is there a period of time between the time you graduated from high school or twelfth grade and time you entered into the Marines?

. A No, it was right after graduation. Actually I joined the Marines in active reserve one year before I graduated.

. Q So essentially you graduated from high schools and immediately entered the Marines.

. A Correct.

. Q When were you discharged from the Marines?

. A 1965.

. Q During the course of time you were in the Marines, where were you stationed?

. A I was stationed at Camp Pendleton, Okinawa, Camp Pendleton, discharged.

. Q How much of the five years that you were in the Marines, how much of that time did you spend at Camp Pendleton?

. A The majority of the time. It was probably 13 or 14 months in overseas duty.

. Q What rank did you achieve by the time that you had [illegible]t?

. A E-4.

. Q Is that--is there another word for E-4?

. A Corporal. It used to be Sergeant but it changed over to Corporal.

. Q Did you have a particular area of training or expertise while you were in the Marines?

. A Air delivery, I was a 7141, airborne delivery, was the last. I studied for this school in the Marines.

. Q So could you just describe what that is? What does it mean to be an expert in air delivery?

. A This was an airborne qualified and what would do, we were aerial resupply for all equipment, any combat for small and heavy cargo.

. Q I take it you were not a pilot?

. A No, I was not a pilot.

. Q And what--during the period of time you were in Okinawa what were your duties when you were there?

. A I was on 311 which is field infantry and I was in communications at the time.

DCMN STEVENS

. Q Let me just ask you some questions. I have skipped over them.

. Now, I take it you are married.

. A Yes.

. Q And your wife's name?

. A Sally Hasenfus.

. Q Do you have any children?

. A Three.

. Q Could you give us their names.

. A [redacted]

. Q Can you give us your current address?

. A [redacted]

. Q Thank you.

. After you left the Marine Corps, I take it you became employed by Air America?

. A Yes. I left the Marines in 1965 and I returned home and my brother and I ran a parachute school. It is a jump center, but we trained, rigged, sales and service of all parachuting equipment and sky diving support.

. Q What is your brother's name?

. A Bill Hasenfus.

. Q Was that back in--

. A That was in Omro, Wisconsin.

. Q Could you spell that?

. A O-m-r-o.

. Q And how long were you in that occupation? How long did you run the parachute school?

. A We were together maybe about a year there, and there just wasn't enough to supply both of us there, but then I--at this time--yes, I inquired about Air America.

. Q Okay. You inquired about Air America.

. A Yes.

. Q How had you heard about Air America?

. A When I was in the Marines there was a few people, or single person that was with Air America from my MOS, and I heard about it, and talked about it, but after I got out of the Marines, things weren't going that good, so I said, well, I got to find this address, I am going to check it out.

I was just a young kid then. So I went through Job Service, of all places, and within a couple days they gave me an address and everything so I sent in my resume with all my materials and that, and I was hired from then.

. Q Let me ask you, I want to sort of phrase a time question here. The people that you met and were involved with in the military during the time that you were with the Marines, have you maintained contact with any of those people?

. A No, I have not.

. Q So none of the people you worked with during the time period July of 1986 through October of 1986, they were not people whom you had met or knew in the Marines?

. A No.

. Q When is it that you started to work for Air America?

. A It was in October of 1966.

. Q And how long had you remained with Air America?

. A Until 1972.

. Q And where were you stationed or where did you work during that period of time?

. A Southeast Asia, the main parts being Vientiane, Laos, and Saigon. Those are the two main.

. Q Maybe I will just take a chronological order. How long were you in Laos and how long were you in Saigon?

. A I was probably four-and-a-half years in Saigon and the rest of the time was in Laos.

. Q Did you begin in Saigon?

. A I started in Laos, that was the main station, and from there I went to Saigon, and then back to Laos, back to Saigon, and back to Laos.

. Q During the time you worked for Air America, did you work anyplace other than in Southeast Asia?

. A No. That was it. Strictly Southeast Asia.

. Q Did you have substantially the same job during the approximately six years or so that you were with Air America?

. A Correct. This was as an air freight specialist.

. Q What did that mean in the context of your job; what is it that you were doing?

. A It was your responsibility to load the aircraft to its proper aircraft limitations, your ACL, make sure the right cargo was on and prepared for air delivery, etiquette, everything to do, whether air delivery load or point-to-point load.

. Q If you will pardon me, some of these expressions are not that familiar to me. Point-to-point means, I take it--

. A A landing point. In other words, if we could take off from Vientiane and went to Long Thinh and landed, that would be point-to-point. In other words, your landing and returning.

Air delivery is you take off from one point and return to the same point after delivering the cargo.

. Q In that situation I take it you deliver it by the plane as it was flying, with parachutes.

. A Yes, it is called air delivery and it was all by parachute; sometimes free-falling.

. Q Let me ask you the same kind of question I just asked you about the military. Were there people that you met and got to know during the period of time that you were with Air America that you later worked with during the time July 1986 through October 1986?

. A Yes.

. Q Who were those?

. A They were [redacted] Bill Cooper--

. Q Mr. Hasenfus, if you would hold up for a second on that. Could you repeat the names again?

. A [redacted]
William J. Cooper. [redacted]
1.

Those were all individuals that we worked together with Air America in Southeast Asia prior.

. Q After you left Air America, did you maintain contact with any of these individuals?

. A Not really. William Cooper dropped a line, but it was very seldom. Every once in a while, you would receive calls in the middle of the night, different times, but there was no actual communications to do anything. It was just camaraderie, old friends just saying hi.

Q I will get back as we get further on--I will get back into who these people are and what their duties were and what they did in the time you were in Central America.

UNCLASSIFIED

But for now let me ask you, were you responsible, were you in charge of loading the airplanes when you were with Air America?

Were you the supervisor or whatever?

. A When we were at the out stations we would load it physically, whatever means were at hand, whatever was out there, forklifts, whatever the customer provided, but we would put it in the aircraft, tie it down, secure it in its proper place for whatever, maybe land or air delivery procedures.

In Vientiane, itself, or a lot of times Udorn, or Saigon, itself, there was traffic facilities as we call it, Air America called it traffic facilities, they would have air freight dispatchers that loaded the aircraft, before you took off you would just double check and supervise that it was correct and you made out a weight and balance, or aircraft log would be brought up to date.

. Q Did you accompany the flights on their deliveries?

. A Yes, I was flight crew.

. Q And what--when you were with Air America, what kind of material were you transporting?

. A We transferred all aid being wheat, bulgar, rice, agricultural tools, and always small arms and ammunition to support all the forces that were working with the United States.

. Q Do you know who owned Air America during the period of time that you worked for them?

. A I do not know the main corporation, no. But there was a few companies that were involved.

. Q Do you know the names of any of those companies?

. A Southern Air Transport was one. Civil Air Transport, which was CIT, and Air Asia, which was a huge maintenance faculty that the government had also contracted with for their aircraft.

. Q I am not sure I quite understood. Maybe you didn't understand me. I asked you if you know who owned Air America. You responded with Southern Air Transport and various others.

. A No, no, there was a corporation that owned all these that I mentioned.

. Q Okay. There is a corporation that owned--

. A Southern Air Transport, Civil Air Transport, and Air Asia. What the main heading was, I don't know.

. Q Just so I am clear, you think that one corporation owned all of these air transports?

. A Yes.

. Q Do you know the name of that corporation?

. A No, I don't.

. Q Did you once know it and have now forgotten it or did you never know what it was?

UNCLASSIFIED

. A I may have once known and forgotten. That could be very possible.

. Q To your knowledge, was Air America--let me ask you that way, who were the customers for Air America?

. A The customers could be all the way from embassy personnel, to what we call other people in aid programs such as USAID, USOM, and some of these were even Peace Corps individuals.

. Q The customers for whom you transported arms, what customers were they?

. A They were mainly--they would come under the heading of CIA or embassy.

. Q Do you have any knowledge of whether or not the CIA owned Air America?

. A This was brought up all the time to the best of my knowledge, though I never seen any of my checks or anything, they were all wire transfers and stuff. I never had any CIA affiliation or ID cards or none of us did.

It was all strictly Air America, Air America only.

. Q So you have no personal knowledge about whether or not the CIA owned Air America?

. A No.

. Q What kind of planes did you fly in when you were with Air America? Were they similar to the planes that you flew in Central America?

UNCLASSIFIED

. . A Yes, very much so. We had C-123s. They were the B models converted into K models. We had Caribous, your DHC-4s, we had C-47s, C-46s, special project we had C-130s. We had also twin Otters and those were our main cargo aircraft.

. Q Let me ask you, just leaping ahead out of chronology slightly, what kinds of planes were used during the time you were in Central America?

. A Caribous, DHC-4 and C-123K.

. Q You indicated that you were paid during the period of time with Air America by wire transfer. Could you describe how that worked?

. A When we were hired by Air America they just asked whether we would want our pay records kept or who to mail to. I gave them my bank which was the [redacted] Bank at that time in Marinette, Wisconsin, and everything was just wire transferred there and I would just get a statement from my bank once a month saying how much money was put into it.

. Q Where did you get, if you pardon the colloquial expression, walking around money? I take it you were in Southeast Asia and your bank account was in Wisconsin.

. A While you were in Southeast Asia through your own checks or credit cards.

. Q Okay. By your own checks, you mean that you would write a check that then would be cashed somewhere?

A You could cash a check through the embassy or American Association there or at several other banks locally, you know, they would take American checks, yes.

Q And how much were you paid when you were with Air America?

A I think I started out with a base pay of something like just about $700 a month then it worked on what you call overtime, anything over 70 hours flown you got $10 an hour for and then you got what they call a project pay, any time you were flying in a combat zone, it was so much more, I forget the exact amount, than if you were air delivering into combat, others you would get like $50 a target.

Q Let me ask, you gave us a list earlier and I would like to return to the list although I will ask you about what their roles were in Central America, but you gave us a list of individuals with whom you had worked when you were with Air America.

I would like to go through the list with you and ask you what their jobs were when they were with Air America and what your relationship was to each of them. The first name was [redacted]

A [redacted] were both air [illegible]ight specialists.

DCMN DONOCK

. Q Does that mean that you on occasion flew with them?

. A Now and then, yes, well, like in C-13s, we would fly two crew members in the back end.

. Q And were they with you during the entire time that you were with Air America in Southeast Asia, or a substantial part of the time?

. A Yes.

. Q Probably not the entire time?

. A No, it was on and off, different times.

. Q And Mr. Cooper, what was his position with Air America?

. A Mr. Cooper was a pilot.

. Q Did you on occasion fly with him?

. A Yes, all the other names that I gave you were all pilots, and I flew with them on many occasions.

. Q So, [redacted] were all pilots?

. A Correct.

. Q Let me just take them one at a time so it is easier. Mr. Cooper, was he with Air America during a substantial portion of the time that you were with Air America?

. A Yes, he was in full-time, probably even longer than I was.

. Q And [redacted]

UNCLASSIFIED

. A [redacted] I didn't fly with much until the latter part when he was transferred to Laos, and he flew C-46s in Saigon and then he was transferred to Laos, where he was checked out in C-13-Ks, and that was his primary aircraft, and I flew with him on and off there.

. Q [redacted]

. A He flew Caribous and mainly I met him in Vientiane, Laos.

. Q Caribou is one of the kinds of planes that you had in Central America?

. A Yes.

. Q Is that also referred to as a C-7?

. A C-7A is the Air Force nomenclature for it.

. Q The Air Force would call it a C-7A?

. A Yes.

. Q And the commercial name is Caribou?

. A Or DHC-4.

. Q And [redacted]

. A really never flew with him hardly any. He was in a small aircraft over there that didn't really carry any cargo.

. Q Did you--I think I asked you this once before, but let me ask you again, are there any people on this list whom you maintain closer contact with than others?

. A I would say William Cooper, as far as the pilots go.

UNCLASSIFIED

would be the closest one that I kept contact with.

. [redacted] and [redacted] very much so, because we were all air freight specialists and therefore, our duties were all the same, and we would run into each other more frequently.

. Q Okay.

. There comes a time when you leave Air America, do you remember what year that was, 1972?

. A To the best of my knowledge, it was 1972. I would have to look at my passport to get the correct date on it, really.

. Q After you left, what did you do?

. A When I left, I came home and worked with my brother again at this drop center.

. Q How long did you work with him?

. A Oh, it had to be just about a year, I believe.

. Q What I would like to do now is just take you through your--fairly quickly--through your employment from the time you left Air America up until, say, July 1986, if you could just take me through.

. A After leaving Air America, I came back with my brother, worked approximately a year there, and then from there, I started working in heavy construction. From there, I worked right straight through, that was my main occupation, journeyman structural iron worker with Union

Local 8 out of Milwaukee, Wisconsin, which goes all the way up to Northern Wisconsin.

. That would take me right up to this time, where Cooper was starting to call me.

. Q There comes a time during this period that you get married to Sally. What year was that?

. A That was 1973, yes.

. Q Shortly then after, you returned?

. A Yes. Correct.

. Q From Air America.

. A Yes.

. MR. PLEGER: Did I miss something here?

. MRS. SALLY HASENFUS: 1974, Gene.

. MR. PLEGER: That will cost you.

. BY MR. EGGLESTON:

. Q During the period of time from 19--when you left Air America--72 or 1973, up to July 1986, did you ever work with any of the individuals whose names you gave us, [redacted] [redacted] Cooper, [redacted]

. A Can you repeat the years again?

. Q From the time you left Air America, 1973--

. A No, I did not work with any of them or see them.

Q I think that during that period of time, you probably didn't even see any of them?

. A I didn't see any of them, no.

UNCLASSIFIED

. . Q You did not see any of them.

. A No.

. Q And during this period of time, the sort of 13-year period of time, where were you living?

. A I was living in Wisconsin, main address I lived at was Omro, Wisconsin, for approximately a year; then we moved to Marinette, Wisconsin, where we stayed all through this.

. Q Okay. Prior to July 1986--let me fix a date. What month was it or what day, if you recall, did you arrive down in Central America?

. A It was--it is in that book. I believe it was the 9th.

. Q Of July?

. A Of July.

. Q Prior to that time, had you ever been to Central America?

. A No, I had not. Except in the Marines at the time Guantanamo broke out, we went through the Panama Canal.

. Q You had never spent any time in Central America?

. A Not as a civilian or anything, no.

. Q There comes a time, as I understand it, when you received information or a telephone call from Mr. Cooper; is that correct?

. A Correct.

. Q What month was that?

. A These were in June I started getting phone calls from Mr. Cooper.

. Q June 1986?

. A Correct.

. Q And do you recall, do you know where Mr. Cooper was calling you from during the first such conversation?

. A Some of these calls, I believe, came from [redacted], other phone calls came from in the States.

. Q Do you remember what day the first telephone call came?

. A No, I did not mark down any specific dates that he called.

. Q Do you have a recollection whether it was early June, late June, mid-June?

. A Probably started off in early June, some of his first calls, yes.

. Q Between the time that he first called you, and the time when I take it you agreed that you would take on this assignment, how many times did you speak with him?

. A Probably approximately four or five times.

. Q Were they all telephone conversations?

. A Correct.

. Q Did you know where he was calling from?

. A No. He never really told me.

. Q I take it there were times when you just assumed from some--

A I am saying that right now, just listening to telephone conversations when I called home from is[redacted] [redacted] and talking with William after a while, that he was calling [redacted] sometimes, maybe from Florida other times when he was traveling back and forth between Florida, or the United States and [redacted]

Q Let me just direct your attention to the first conversation. Do you have much of a recollection as you sit here today about what the first conversation was that you had with him?

A One of his first calls, he was just calling to see more or less how I was, what was happening, and there would be a possible job coming up in Central America. There was nothing affirmative on it.

Q Do you remember how long the first call was?

A It was just a short call. It wasn't very long. Maybe a matter of four or five minutes.

Q Over the course of the calls, I take it you probably don't have a recollection of each individual phone call and what was said during each call; is that correct?

A Correct.

Q Can you maybe, summarizing them together, tell us what it is that he said to you about what the job will be, who you will be working for, various things like that?

A He didn't say that much over the phone, because he didn't know any of them, especially out of [redacted] or the States, he just said he would talk with us later on when we met in person. But he was definitely talking about working Southeast Asia, it would be the same exact kind of job we did in Air America, etiquette like this here.

Q Did he tell you who your employer would be?

A No, he didn't.

RPTS BRADFIELD

DCMN DONOCK

10:30 a.m.

. Q Did he tell you the purpose, did he tell you anything about what the mission--pardon the use of the word--the missions would be?

. A Nothing over the telephone, no.

. Q Okay, so is it fair to summarize that during the course of the telephone calls, he indicated to you that there would be a job available? It would be similar to what the job would be in Southeast Asia?

. A His exact words were just about it will be the same as we were doing over in Southeast Asia, different geographic location, different time period.

. Q Did he tell you how long the job would last?

. A No, he didn't really a time on it. This could last a couple of weeks or a few years.

. Q Did he tell you, over the telephone now, how much you would get paid?

. A Yes, that he did.

. Q Do you recall how much he said you would get paid?

. A It was this, 3,000 a month.

. Q During the course of the telephone conversations, did he tell you anything--as I understand it, you got a slightly additional amount if you crossed into Nicaragua?

. A This came later on through conversations that we had. It varied quite a bit.

. Q During that initial conversation, he did not say anything to you about additional pay?

. A Correct.

. Q Did he tell you you would be paid the same way you would be paid through the wire transfers, with Air America?

. A Yes.

. Q Now, I am looking at your book here. Your book indicates that you left Green Bay for Miami on July 7, 1986?

. A Correct.

. Q How much prior to that had you told Cooper that you were willing to sign on?

. A It was right around July 1st or 2nd, right up in there when we started making definite phone calls. Well, okay, if this is going to happen, we will wait until after the 4th of July, so we could be with our families.

. Q July 7th was a Monday, is that correct?

. A I would have to look at a calendar.

. Q Did you have a number where you could call him?

. A Yes, he gave me a number which was Southern Air Transport.

. Q In Miami?

. A Correct.

. Q Did you call him at the number?

. A No.

. Q Did you know it was the number for Southern Air Transport?

. A I didn't really, but what happened there, Bill called--what he wanted to--he called back later on during this time from the 1st of July until the 7th of July. He called back several times just making sure that he would have my flight number, time of arrival, so he could meet me at the airport, little things he would forget.

. Q Okay, and so during that period of time, he told you he might call you, that you could call him at a particular number?

. A Yes, he gave me Langton's number.

. Q L-a-n-g-t-o-n?

. A Yes, L-a-n-g-t-o-n.

. Yes, in case there was a mix-up, or we didn't meet at the airport or go to that Holiday Inn that is close to Miami Airport there.

. Q At that time, did you know Langton's position?

. A He told me he was President of Southern Air Transport.

. Q Cooper had given you Langton's phone number?

. A Correct.

. Q Does that appear in this book?

. A No, it doesn't. When William was calling me, I grabbed a piece of paper, an envelope, started jotting things down; and all this stuff was thrown in my briefcase; and I had it with me.

. All numbers and names and things like this here, tickets, it was left in my briefcase.

. Q When you said you had it with you, what do you mean?

. A I carried it with me. I was going to transfer a lot of these, some I did, transferred into here, addresses, just phone number. But I was putting it off always to another day to get a correct address book and all of that, but I never did.

. What happened with all these addresses, tickets, after I was shot down, when I went to all my rooms and recruited all my material, they went through my briefcase and anything that had to do with Southern Air Transport tickets, everything was confiscated.

. Q Who went to your room after you were shot down?

. A [redacted] That same day I was shot down, he came into [redacted] from the United States.

. Q Okay, you mean people who were working with you, your co-workers?

. A Yes, well, [redacted]old me, I talked to him, and he said [illegible] that stuff was in my briefcase when he turned it over.

. Q Did he tell you who he turned it over to?

. A [redacted]or Southern Air Transport.

UNCLASSIFIED

. Q [redacted]

. A Correct.

. Q I believe--I stand to be corrected on that.

. Q Could we have this marked EH-6?

. [The following documents were marked as Exhibit EH-6 for identification:]

COMMITTEE
xxxxxxxxxx INSERT 2-1 xxxxxxxxx

UNCLASSIFIED

BY MR. EGGLESTON:

Q How did you get from Wisconsin down to Miami?

A Commercial air.

Q Who paid for the tickets?

A I paid for my own tickets.

Q Were you ever reimbursed for that?

A No, we would have to pay our own transportation to Miami and back to your own address all the time. That was a part of our contract.

Q Did Cooper actually meet you at the airport?

A Yes, he did.

Q Was anyone with him?

A He was by himself when he met me.

Q Did you--where did he take you?

A We went to one of the refreshment lounges in the airport itself, because we were waiting for [redacted] to come in at the same time, and also there was another individual by the name of [redacted] another pilot. We were waiting for them to come in also.

Q Were they newly recruited?

A No, just freshly recruited.

Q Did you know [redacted] prior to this time?

A Yes, [redacted] I knew in Vientiane, Laos, he was a co-pilot on Caribous. [redacted] he came to work for Corporate Air Services, there for probably a week, never really flew anything, and he went back home and terminated himself.

Q He was with you down in [redacted] for a week?

A A couple of weeks, yes, about that. [redacted] came together, we were hired together.

Q Did [redacted] stay on until October?

A Yes, he was one of the last people there, yes.

Q During the time you were in--how long did you remain in Miami before you went down to [redacted]

A Two days, I believe I got in the 7th, late in the afternoon, and we left [redacted] that flight around 3:20 from Miami.

Q How many people went down together to [redacted] who ended up working with you?

A [redacted] and myself only, [redacted]

Q [redacted] did not go down with you?

A No.

Q Did Cooper go down with you?

A No, just [redacted] and myself, yes.

Q During the time you were in Miami, did you meet any representatives of Corporate Air Services?

A No, all we did is, we stopped off at some restaurant [illegible] we were talking, as we are here around the table, and Bill was bringing out this contract from Corporate Air Services, and he said, this is what--you are working as an independent individual.

All this is is front paperwork, to more or less conceal you, what you are doing, as we are talking, we were talking how we are going to be working on this job, because [redacted] and I were quite interested.

Over the phone, we said what is our job exactly going to be? We are working more or less like we were before, for the CIA and the government. We wanted to make that point quite clear between ourselves, so we knew where we stood.

Q So when he said it was front, did you understand--who did you understand him to mean front for?

A In other words, it was just a name on a piece of paper.

Q Right, okay, did you--so you had a conversation with Cooper or conversations with Cooper where he told you you were working front for the CIA or for the government?

A Yes.

Q Did he say CIA or government, or did he say both?

A He didn't, all he said was more or less government work, and as before, he didn't come out and pinpoint anyone directly.

Q Okay, did he tell you--what if anything did he tell you about Corporate Air Services?

A Corporate Air Services is a contract. We put out the sign as this front name. I am saying front name, because that is the way Dan and I accepted it. It was something on paper, a contract saying you are working for pay purposes, etiquette, out of Pennsylvania.

I wanted a copy of this, which I did not receive, and there was another copy signed, we signed with Air America and most government jobs where you are going to remain silent about this.

Q Okay, did you meet an individual by the name of Edward De[redacted]? Garey

A No, I did not.

Q Have you ever heard that name?

A The name I heard come up because of all the conversations.

Q Okay, so you have heard the name, but you never met the person.

A Correct.

Q So he was never down, to your knowledge, in[redacted] [redacted]

A I never met the person.

Q When did you first hear that name, after your release?

A It was mainly after my release, yes.

MR. PLEGER: From things that were in the newspapers.

. BY MR. EGGLESTON:

. Q During the time you were down in [redacted] that was not a familiar name to you?

. A No, it was not.

. Q Prior to the time you actually arrived down in [redacted] did Cooper give you any additional information about what exactly it was that you would be doing?

. A When we talked in Miami, he said yes, we will be working out of the air base [redacted] and flying into Nicaragua.

. Q Did he tell you what the loads were going to be?

. A Yes, he said there was going to be small arms and ammunitions, a lot of these medical supplies, uniforms.

. Q Did he tell you that you would fly into Nicaragua?

. A He said there is a very strong possibility we would be going in and out of Nicaragua many times.

. Q Did he tell you about the extra pay for going into Nicaragua, or was that after you arrived?

. A There here was told then.

. Q You were told about the extra pay during these conversations?

. A Correct.

. Q During the time you were in Miami, where did you stay?

. A We stayed at the Holiday Inn, the closest one to the airport, if there is two of them? I think there is, maybe.

. Q Your notebook which has now been marked EH-6, seems to indicate that you left for [redacted] or arrived in [redacted] on July 9 of 1986?

. A Correct, that is the same date we left.

. Q How did you get down to [redacted] what airline?

. A [redacted]

. Q Is that an [redacted] airline?

. A Yes.

. Q Who paid for the hotel while you were in Miami?

. A Cooper signed for it all.

. Q Do you know who was paying Cooper?

. A I believe, this was all Southern Air Transport because they accrued all our tickets, right through Southern Air Transport Ticket Agency.

. Q When you got your ticket to fly down to [redacted] you obtained the tickets from Southern Air Transport?

. A Dottie Bridge takes care of all the ticketing for Southern Air Transport. We would get a round-trip ticket from Miami to [redacted] round-trip.

. Q They were purchased by Southern Air Transport?

. A Correct, it was right on there who bought it.

. Q Do you recall anything else during your conversations with Cooper prior to the time you went to [redacted] Did he tell you, as best you recall right now, did he tell you anything else about what you would be doing, who you were working for, anything like that?

. A No, basically what I already outlined.

. Q This is probably a good time to take a short break, if you want to get a drink of water. I suggest that we not leave the room.

. [Recess.]

. BY MR. EGGLESTON:

. Q I just started to ask you about your arrival in [redacted] As I indicated earlier from EH-6, it appears you arrived on July 9, 1986, and it was just you and [redacted]

. A Yes, we arrived there, I forget what time we got in. Excuse me, but we were met by [redacted] an officer, an enlisted individual approached us while we were going through Customs, and he took our passports, and they ran them right through and had us jobbed in, and they took our luggage.

. They sort of surprised us a little bit.

. Q Did you know their names?

. A No, I did not know their names. They introduced themselves briefly, and that day we saw them was the only time I have ever run into them. [redacted]

. Q Where did you fly into?

. A Into [redacted]

. Q Do you know how to spell it?

. A No, my spelling would probably be correct or wrong on it. [redacted]

. [redacted] was turned into their military base then, but that is where we landed, and we were met by [redacted] [redacted] which had a couple small military aircraft, flew us from [redacted] right into [redacted] [redacted] met by [redacted] with a company vehicle which drove us into [redacted] to a House 3, and that is where we spent our first night.

. Q Let me break a little of that up. You were met by these officials when you arrived. Did you fly in [redacted] [redacted] military airplane?

. A It was a small, forward aircraft control, a small spotting aircraft, there was two aircraft actually. They wouldn't carry all three of us, and our luggage.

. Q Those were military aircraft?

. A Yes, they were.

[redacted]

[redacted]

. Q All right, you indicated before you knew [redacted] from your days in Southeast Asia?

. A Correct.

. Q Did you know [redacted] was going to be meeting with you?

. A We were told someone would be meeting us. When [redacted] came out, we recognized him, very much so.

. Q Did you know [redacted] was down in [redacted]

. A Yes, I knew.

. Q When you call it House Number 3, what does that mean?

. A Well, before [redacted] and I got there, when this started out several months before, the first residents they accrued was called House Number 1. Then they had House Number 2, and they needed one larger and more centralized, and they had House Number 3, they were renting.

. Q These were locations where the people who worked on [redacted] operation lived?

. A Yes, stayed.

. Q How far were they from [redacted]

. A It was a few miles, all the way across town, a 20-

some-minute ride.

. Q So you spent the first night in House Number 3?

. A Correct.

. Q How many people were in House Number 3?

. A It was approximately--only about three people when we got in there.

[redacted]

. Q Was there a portion of this where your operation was working, or was it one corner?

. A Centralized, right in the center of the taxiways. There was a place where a warehouse was built, actually two warehouses. One was a metal warehouse that was built, and [illegible] was there prior to me getting there. It was full of these supplies, and there was another addition put on to it which belonged to Corporate Air Services which was a warehouse for all aircraft supplies and personal effects that you needed for flying.

. Q You mean personal supplies or the supplies that you would be transporting?

. A One was a block warehouse. The other one was a metal one. The metal was your contra, their warehouse, air deliveries, supplies, small arms, ammunition, uniforms and whatever medical supplies that were available. Anything it took to support this group.

. Q The contras?

. A Correct.

. Q There was a different location?

. A Adjoining right to it, it was attached right to it, a block building which was finished while I was there, a warehouse for maintenance, a little office to put our personal effects for flying.

. This was located right on [redacted]

. Q In the military section?

. A Correct.

. Q When you arrived, how many airplanes did Corporate Air Services have?

. A When I arrived there, there was only three aircraft [illegible]t was there. One was a Maule which is a small little four-place aircraft made in the States. There was two Caribous.

. Q Did the maul, Maule I guess it is not suitable for transportation?

. A Not made for cargo or anything. We use it for planing personnel back and forth.

. Q The two Caribous?

. A Correct.

. Q Any C-123s at that time?

. A No, the C-123s that I see. When [redacted] and I were going back to Miami, [redacted] and I were taken out to Southern Air Transport; and William wanted to show us the C-123 that was there and that was actually a Charlie-825.

. Q That was the registration?

. A No, a number given by Corporate Air Services. For that one, we had five aircraft down, so it went from Charlie-821 all the way down to Charlie-825.

DCMN STEVENS

. Q Can you match up for us the number with the aircraft?

. A Yes, I can. The Maule being a small, fabric-covered aircraft, Charlie 821 and the two Caribous were Charlie 822, and Charlie 823. The two 123s were Charlie 824 and Charlie 825. Corresponding numbers were put on the aircraft more towards the nose, single digit, one through 5.

. Q They corresponded to the number at the end?

. A One digit was painted towards the nose of the aircraft.

. Q When you arrived, they had the Maule and the two Caribous?

. A Correct.

. Q How much after you arrived did the 123 that you had seen in Miami show up?

. A I forget the exact--probably a couple weeks later on.

. Q When you arrived then, Cooper was not there?

. A In [redacted]

. Q Yes.

. A No. He was not in [redacted] He remained in Miami.

. Q How long after you arrived did Cooper come down?

. A It was a couple weeks later on.

Q Did he bring the C-123 down?

A I believe so, yes.

Q Okay. I know a C-123 is an old plane but the one in Miami, was that newly acquired?

A This was the one that they already had acquired when I was hired, yes. This was the first one that they had. It was in there because they had to repair one of the jets was torn up.

Q At the time you were hired, there were four?

A Four aircraft.

Q But the C-123 was not down [redacted]

A It was in maintenance in Southern Air Transport in Miami.

Q When did they acquire the fifth one?

A It probably was acquired in August or the later part of July. I forget exactly when.

Q Where did that come from?

A It was bought maybe out of Texas or someplace.

Q Did one of your members go up to get it?

A Yes. [redacted] The copilot, [redacted] or [redacted] might have been in with that. Who else was involved? They were going back and forth from [redacted] was anyway, and also [redacted]

Q Between [redacted] and the United States?

A To Miami, yes.

. Q During the period of time when the time you arrived and when Cooper comes back, who is operationally responsible?

. A [redacted] was second in command.

. Q Under Cooper?

. A Cooper.

. Q During that time [redacted] was in command?

. A Yes.

. Q Okay. [redacted] was also one of the pilots.

. A Correct.

. Q Cooper was a pilot?

. A Correct.

. Q Let me just ask you to describe just briefly the three houses. Did you stay in all three or only one of the houses?

. A I only lived in house number one, and that was for a short period of time all the way through July. After that, we were moved. Cooper moved us to [redacted] in which, let's see, in the middle of August sometime, I forget exactly. In my passbook there is probably a chop date in there when I left [redacted] and [redacted] back home for two weeks, and I turned September 8 in [illegible]ch we were moved to [redacted] which was across the street, a little bit more economical and that was basically where we were kept.

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. Q Do you recall the address of the house where you stayed for a couple of weeks?

. A No, I don't. I have the address of house number three, and that is it.

. Q You indicated you spent the first night at house number three; correct?

. A Correct.

. Q Thereafter you did not spend any more time in house number three?

. A No, just visiting.

. Q Bad question. Thereafter, you didn't stay any longer at house number three?

. A No, I did not. [redacted]

. Q If you could spell that?

. A [redacted]

. Q Do you speak Spanish?

. A No, I don't, a little ''Tarzan'', that is about it. [redacted]

. Q Did they have telephones at that house?

. A Yes.

. Q Do you know the telephone number?

. A Yes, telephone number was [redacted] house number three.

. Q Houses numbers one and two, were you at those houses?

. A I lived at house number one, but I forget the phone number for it. I had it written down but this was confiscated from me on a small piece of paper.

. Q How about house number two?

. A House number two, the mechanics stayed at.

. Q Where did Cooper stay?

. A In house number three. Most of the pilots stayed in house number three.

. Q Did most of the--well, let me ask it this way. What was your title down there?

. A Air freight specialist.

. Q Did most of the air freight specialists stay in house number--I have lost track.

. A We stayed in [redacted] mainly. We first stayed at house number one, and then at this other hotel and then [redacted]

. Q You don't recall the phone number of house number two?

. A No, I don't.

. Q Would you generally describe what the set up was? You have indicated Cooper was in charge and [redacted] was his second during that period of time. How many flyers, maintenance men approximately?

. A Okay. The flyers, there was--

. Q Get into people, if you have got them down on the list, give us the names of the people.

A Okay. Pilots would be Bill Cooper who was in charge, [redacted] who was second in command, [redacted] who was more or less like a secretary, and [redacted]

These were all the pilots.

Q Were they substantially there throughout the time you were there?

A No. [redacted] and [redacted] came, I believe, right in September 7 or September 8 is their date of hire. [redacted] was right around up in there also.

Date of hire for [redacted] I believe that was in August. I could be corrected on any of these. [redacted] was in the latter part of July. [redacted] he was there, of course, and [redacted] was there all the time before, as far as pilots go. There was another guy sort of like an air freight specialist there, [redacted]

Q [redacted]

A Correct. [redacted] He was also there and another individual by the name of [redacted]

Q They had similar jobs to yours?

A [redacted] was a pilot. [redacted] was a regular and also an air freight specialist.

These people were either leaving the job or being terminated. There was other pilots there before me. I don't know who these people were; and then as far as the air freight specialists, there was myself, [redacted]

Mechanics, a head mechanic, [redacted] There was a mechanic's helper there by the name of [redacted] There was two [redacted] mechanics, [redacted] I don't know what the other one's name was. He was a pretty quiet individual there.

Q Were any of the mechanics employed by Southern Air Transport?

A [redacted] were both employed by Southern Air Transport, very much so.

Q Did you receive documentation when you arrived on the job, identity cards or anything like that?

A After we were there maybe for a little over a week, we were taken into [redacted] and they issued us these identification cards, yes.

Q Let me, just so I have a sense of what this was like, during the course of the time you were there, July, August, September and then obviously very early into October, during the course of those three months, how many total flights were you on, not successful flights but how many total flights were you on?

Mr. PLEGER: Including Nicaragua or only Nicaragua?

BY MR. EGGLESTON:

Q Total.

A Throughout Central America, 30, probably 40 flights.

Q Of those, and how many of them did you successfully release your cargo?

A There was, out of air delivery [redacted] there was probably about four air drops.

Q Four [redacted]

A Correct, all the rest were point-to-point places. You go there and land like at [redacted] you go in and leave your cargo out.

Q How many total air delivery flights were you on?

A Maybe around 14.

Q Of those, how many were successful?

A They were all successful.

Q You did not have occasions where you flew and--

A Central America we are talking about, because we had air drops, we had air drops [redacted] because sometimes when it was raining so bad, we would air drop into [redacted]. The only other place there was air drops nationally [redacted] in Nicaragua.

Q All right. Did you fly into [redacted] as well?

A I did not, myself. We flew over [redacted] yes.

Q And then into Nicaragua?

A Correct.

Q I am getting pretty close to where I bring out my map.

MR. PLEGER: By way of explanation, you said 30 to 40 flights, you thought, of which 14 involved air deliveries is my understanding?

THE WITNESS: Correct. Test hop, that is a flight, you fly from [redacted] into [redacted] that is a flight, food or medical supplies. These other places were all flights.

MR. PLEGER: Of the remaining 30, 16 were point-to-point?

THE WITNESS: It could be more. They were all point-to-point, all the rest of them.

BY MR. EGGLESTON:

Q The ones you just referred to as the agriculture flights, et cetera, agriculture, are those within the 30?

A Yes.

Q How many flights, how many times did you fly into Nicaragua?

A Ten flights into Nicaragua.

Q Does that include the one on October 5th?

A Correct.

Q While we are at it, I have a map here which is somewhat large. Would you mark this as Exhibit EH 7?

[Whereupon, the document referred to was marked for identification as Exhibit EH 7.]

BY MR. EGGLESTON:

Q What I am going to do is put this down in front of you, and I am going to come around and stand next to you, and let me just, before we proceed, let me tell you that I want to do this in a way that the court reporters can record something other than ''these, theres and those''. As you point out things, I will do my best to describe what you are doing in an oral fashion, so the court reporter knows what they are pointing to.

Maybe if you could start by showing us how far outside of--so[redacted] is right in [redacted] right?

A Yes, [redacted] is right in there.

Q There is a location which is, so I get the basics here, there is a location referred to frequently as the farm?

A Yes. That was [redacted] and that sits right up in this area.

Q An area just on the map here north of a location called [redacted] up in this vicinity.

A Right up in here.

Q That was the farm?

A [redacted] was the name of the place, and it was referred to as the farm. [redacted] it sits up in this general area right up here.

. Q I will put an [redacted] on the map.

. A It is near here.

. Q There is also a location called the plantation?

. A The plantation we have to come down into Costa Rica. [redacted] right up in here.

. Q Not far from a place--

. A I am sorry. [redacted] there was a flat spot in there where there was an air strip, for our benefit called the plantation.

. Q This is near a place called [redacted] If I were to put a [redacted] right here?

. A Sure.

. Q That would be about accurate?

. A Yes.

. Q So let me just ask you some general details about the flights that you took. When you first arrived, I take it you flew the Caribous?

. A Correct.

. Q Did you generally fly to the same place with the Caribous?

. A We take off out of [redacted] and our flight plan would take us direct to--right into [redacted]

. Q

. A

. Q I will get back later to what you loaded and unloaded, so these were what you call point-to-points, unless the weather was terrible or something else?

. A Yes, you never really flew anything out of [redacted] into [redacted] It was basically in the beginning in these flights in the Carabou, we take off, stay down for a week, go on Monday, stay down for four or five days, and whatever the contra team designated to us where to carry, where we were going to go into [redacted] up in this general area here someplace, we fly back and forth here. There was another place called [redacted] right up in here someplace.

. Q I understand the locations I am putting on this map are general, and they may be wrong by some distances or whatever?

. A Correct.

. Q I will put a [redacted] on the location and what is the other location?

. A There is a place up in here called [redacted]

. Q I will put a [redacted] about here.

. A That is pretty close generally.

Q Particularly during the early part you would fly from [redacted]

A And work out of [redacted] We wouldn't take stuff out of there.

Q You would not?

A No.

Q During the course of the week from the farm, you would make the flights to [redacted]

A Correct. These were all point-to-point except for now and then. If there was a heavy rain storm, you would air drop into these places, and these other flights that came into Nicaragua, dropping to the FDN teams, we flew up here, come down [redacted] as far down as up in here.

Q Again, so I can do it, you would fly out of the farm and fly over to?

A [redacted] This flight pattern would vary very much. You didn't want to [redacted] You fly basically [redacted] here and cut across.

Q Okay. And turn south, east of [redacted] and down into Nicaragua?

A Yes [redacted] These flight patterns would vary all the time from flight to flight.

. Q When you did this, you were basically flying the Caribou?

. A Anything supporting the FDN teams in northern Nicaragua was always done by Caribou. It didn't carry as much as a 123 but it is distance. They could travel without refueling and all of that. The Caribou could come in closer, play closer games.

. Q The C-123s, was there a different flight pattern you would fly?

. A The C-123s were basically to fly fro[redacted] come out [redacted] fly right out here.

. Q That would be along [redacted]

. A Correct. We would come out to this checkpoint [redacted] [redacted] there is a checkpoint out here [redacted] by radio, of course, fly in, come over this, there is [redacted] here, come up generally, right up around in here.

. Q You indicated you would fly along the Nicaraguan border south to near the plantation.

. A Correct.

. Q Turn east and fly over the plantation and continue [redacted] into?

A All the way, it would be right up in this general area here.

. Q Indicating on the map in the vicinity of a location

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called [redacted] Would these flights go into Nicaragua?

. A Yes, that was our flight pattern. Come across here, and then head north into mainly right up into this area here. There is [redacted] another place called [redacted] in this area here. In other words, a C-123 with its fuel capacity with a pile on tanks could fly from [redacted] all the way down here, fight a little bit of weather, spend a couple hours if it had to, still have enough fuel to come all the way back, where a Caribou couldn't do that.

. Q The area where you indicated where the drops took place was generally [redacted]

. A [redacted]

. If I had a decent map here, if we had a flight plan, 50-thousandths to 125 thousandths of that area, I could pinpoint a lot of these points right down to very close coordinates.

. Q How many flights did you make with the C-123s?

. A Six.

. Q All six went into Nicaragua?

. A These were fix flights I actually penetrated Nicaragua. There was other flights I made. You get so far up in here, and you run into so much weather, you would have to come back.

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. Q You made drops on 60 occasions with the C-123s?

. A Yes, we made actual drops. Excuse me, one we penetrated Nicaragua and run into so much weather and we could not find an exact team site; and we returned with a load.

. Q I am racing way ahead; but since I have the map down, why don't we cover the flight of October 5th, that was in a C-123?

. A Correct. I want to reiterate something here. This flight that happened October 5th was a rebound from October 3rd, 2nd or 3rd, I forget exactly when we left [redacted] and went into [redacted] we were supposed to work out of there, they were waiting for their main FDN Comandante, Comandante Bermudez, everything changed hands there rather quick. I was there. I am trying to think of the exact crew who was there. [redacted] and I believe it was, trying to think who the captain was, but it makes no difference, Cooper came in with another Caribou and they had a little pow-wow there at [redacted] and they switched things around where Bermudez said this team, which is right up in here anyway.

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RPTS BOYUM

DCMN SPRADLING

[11:30 a.m.]

. Q Just so we can make sense of it, it is--

. A It is up in here. Here was [redacted] right here. We were back up in here.

. Q It was [redacted]

. A Yes.

. Q That is where they were shot down.

. A We were [redacted] when we got shot down. What happened was when we were in [redacted] all of a sudden the FDN that was usually up in here, they had this team--

. Q By ''up in here'' you refer to the area of northern Nicaragua?

. A Yes. To further explain this, let's sort of cut this map in half. Up here was usually your FDN.

. Q Up here meaning the north.

. A Northern part of Nicaragua. The southern part was the UNO. The UNO team was mainly supplied out of [redacted] [redacted] out of [redacted] that warehouse that was there. [illegible] FDN team, being supported out of [redacted] the contra base.

Now, all of a sudden, it was funny because they, this team was way down in southern Nicaragua and it had to be supported. Womunez made it clear, they had two teams, if they didn't get supported, they would lose them.

. Q You are referring to an FDN team down there.

. A Down there, [redacted]

. Q In the area where you were shot down, was it near--was it near the vicinity of the river here, Rio Tune?

. A It would be near there, yes.

. Q It--okay.

. A It was somewhere up in there.

. Q I think we are done with the map.

. A To finish this story, these Caribous that were here loaded FDN material, small arms and ammunition and these rifles, and were flown into [redacted] to transfer because a--

. Q They were thrown into [redacted]

. A Yes, from [redacted] The reason being the aircraft, Caribous that were here could not, it wouldn't make sense to try to fly all the way down here and try to get all the way back. There wouldn't be enough fuel.

. Q By here again, you refer to the--

. A To the flight.

. Q Fro[redacted] all the way down south.

. A They would have to fly here, fly all the way south here and make the drop and fly back [redacted] and return back up to there or try and

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come back and go around or land [redacted]
[redacted]

Q Did you ever land at the plantation?

A No, I didn't.

Q Was there a--did others to your knowledge land at the plantation?

A Yes.

Q What was the purpose of landing at the plantation?

A The plantation was going to be turned into another site for the UNO teams in the south just as [redacted] was for the FDN teams in the north. In other words, you wouldn't have to have this warehouse sitting up here at [redacted] everything could be sitting right down here with an air strip that is very close to your targets.

Q Was that ever actually set up?

A The airstrip was there and they were starting to build like a small little, what would you say, a casa, a house for everybody to stay in and a small maintenance quarters.

Q But I take it it was not completed by the time the operation was--

A No, it was abandoned really because they had a C-[redacted], in fact it was the same one that Charlie 825 landed there, and it just sunk out of sight, went right into the mud because there is a stream that runs under the runway and

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in the rainy season it is so wet there it is not feasible to use it.

. Q Thank you.

. A I just wanted to clarify something on that team, maybe I don't have to bring it up, but it is there that this last mission was changed all around so quickly. It was supposed to be a Caribou mainly to the FDN teams [redacted] to the area [redacted] But when Bermudez came in there that day, there was Cooper, Ramon was along, I was there, [redacted] was there, [redacted] was there, and they had this change because Womunez being the biggest commander around switched it around saying they needed it out of there.

So this was all transferred, seeing that the Caribous were there right away, okay, we will load them up and take this right into [redacted] that day, which was the third, October 3 when this took place. And then October 4th the Caribous went again because they could carry 5000 pounds, so the first day they brought back 10,000 pounds of material. This was loaded aboard the C-123.

Q What kind of material was that?

A This was your small arms, the exact load we were shot down with. The fourth of these aircraft went down and loaded up again with another 10,000 pounds. We were supposed to have a second trip to this same--well another DZ that was very close.

. Q How much weight can the C-123 carry?

. A It could carry--what we were carrying, put it this way, was 10,000 pounds because we had to max out in fuel. In other words, we can carry sometimes 14 or 15 thousand pounds depending on what you are doing, depending on how much fuel you have to have and besides the airstrip, elevation, etiquette going into the place.

. Q The arms that were transported by the various different cargo planes, were they primarily shipped first into [redacted]

. A When I came into [redacted] in July, July 9th, we didn't go out to the air base, it was probably a couple days later on. We were shown [redacted] air base where the aircraft were parked and this warehouse [redacted] The warehouse was full already. They had rigging there, parachutes there, they had all the medical supplies, all your uniform and web gear and all the small arms ammunition. It was already there with three or four contra individuals who stayed there which were riggers and radio operators and one coordinator [redacted]

. Q Was it ever resupplied during the period of time you were there?

. A No, it was not.

. Q Could you tell by looking at the material where the material had come from?

. A A lot of it was all U.S. material except there was a couple agent K-21 machine guns encased there.

. Q Who makes those?

. A That is a European-made weapon. And ammunition for them which is the 7.62 by 55 which is all ammunition for all your agent Ks which the contra use quite a bit besides your 7.62 mm for your AK.

. Q How did you know the other material was from the United States?

. A It was all marked, standard U.S. military issue.

. Q And what material is it that you are describing that was military issue equipment?

. A This was all your 60 mm mortar and hand grenades.

. Q Were they in boxes?

. A Correct, military crates, standard box that they are shipped in.

. Q Anything else that you recall?

. A It was mainly just mortars, small arms, I mean the [redacted] ammunition, there are two different calibers of AK ammunition.

. Q Let me stop you, I got imprecise on you. Was there anything also you could tell by looking at it that it was

United States material other than the mortars and hand grenades?

. A That and the parachutes and webbing was all American.

. Q What is webbing?

. A All the A7A slings, these are slings for rigging small bundles and the parachutes.

. Q And the parachutes were stamped in some fashion that you could tell they were United States?

. A They were all U.S., yes.

. Q Anything else that you recall?

. A No, no.

. Q How about the medical supplies, the boots, the uniforms?

. A When we get back to U.S. supplies, I stand corrected, they were--all the uniforms we did were all U.S. manufacture, all the boots were U.S. manufacture that were in [redacted] itself, yes.

. Q Can you tell by looking at--you would have to pardon my lack of knowledge about how the military works--can you tell by looking at the crate that the grenade came in, can [illegible] tell, for example, the grenades--can you tell what branch [illegible] the military they came from?

. A No, no, there is no such thing. It is just a standard government contract I imagine, which each one is made up for in lot numbers.

. Q But there were lot numbers on the sides, and the whole thing?

. A Yes. Correct.

. Q But that was not resupplied during the period of time that you were there.

. A No, nothing was resupplied. Along the line of September what we did was [redacted] itself, the UNO group--we were running short of parachutes because this large influx when we were dropping to the south to the UNO teams, we were running out. So what they did, we flew maybe 20 or 30 thousand pounds of like these hand grenades and mortar rounds and actually bartered or traded at [redacted] with the UNO teams for parachutes which they had and brought them back and this was a scratch my back or trading and bartering around to try to get the thing to work because the teams were not working that close together.

. Q Can you describe the size of the hangar or the warehouse or whatever that contained all the material. I am talking about the military material now when you first arrived?

. A It was about a hundred feet long and maybe 20 feet wide.

. Q I don't know that you can answer this question, but during the course of the time that you were there, do you have any idea how many pounds worth of material was emptied out of the warehouse and delivered? You might know because you were there.

. A I will give you round figures here.

. Q Fine.

. A When I got there I would say there was roughly 100,000 pounds worth of equipment in there and at the time we finished up there was, half of it was gone.

. Q Now, when you went to the farm--for some reason I cannot pronounce that word so I will keep calling it the farm, when you went to the farm was it separately supplied from anywhere or were its supplies only from [redacted]

. A [redacted] or the farm, in [redacted] was supplied altogether separately. This was an FDN, I keep stating this--

. Q Okay.

. A --and this was a main contra base there which had their own aircraft and everything, also they had their own warehouses which were much more massive, they had a huge warehouse there something like 200 feet by a hundred feet plus a lot of tents that were full of old uniforms and [illegible]hing that was necessary to supply teams.

. Q Maybe I am just now understanding, so that the place at [redacted] was basically used to supply the south.

. A Correct. There is actually three teams, the

Mesquite, the UNO and FDN.

. Q Right.

. A But the UNO was basically supplied all out of [redacted] The FDN was all out of [redacted]

. Q So approximately 50,000 pounds worth of material that was supplied out of [redacted] that was what went to the UNO team.

. A Correct, except like maybe 20 or so thousand went up to [redacted] or the farm for trading for parachutes and that.

. Q Okay.

. A I know it is confusing.

. Q It was confusing until just then and now I know what you are talking about. At the farm, did the contras also make deliveries into--

. A They had a DC-6 of their own, yes, which was supplied to them. They also had a C-47. They had a few Maules, they had a couple of push-pull Cessnas. An L-19 they had, and a helio, a bunch of small aircraft, but the main was the DC-6 and C-47.

. Q So the place at the farm was substantially larger than the other operation.

. A It was the main contra base for years, I believe, to the best of my knowledge.

. Q How much of your time did you spend in [redacted] and how much of your time did you spend at the farm?

A The farm was, let's just put it this way, [redacted] was our home base. [redacted] was a remain overnight case. You go work out of there for a week if they have the work. You go down there and stay, you brought a mechanic with you, the contras themselves gave you all the fuel you needed and all the food if you so desired, they supplied you all the way with mechanics to help you, anything.

Q Let me direct your attention to the material that was stored and I say material, I mean the military material that was at the farm.

A Right.

Q Could you tell by looking at it the origin of that material?

A It was the same as [redacted] exactly, in fact just much more massive. A lot of their stuff and uniforms and stuff was acquired through foreign markets [redacted] and stuff like that, a lot of those, their hats and other uniforms, parts of uniforms.

Q How did you know that?

A Some of their, what you call it, you got your [illegible]ard hat which I forget how you say it in Spanish but [illegible] other hat with a brim, sombrero, which they also used in camouflage, they were all [redacted] because with the tags on it, I could go to a store anywhere down here and it says [redacted]

. Q But the military equipment again like the hand grenades and the mortars--

. A And many of the uniform, yes, and the boots, they had several different kinds, jungle boots. Right now the U.S. Government is broke down with special forces, we have the jungle boot, now we have the mountain boot and it is getting crazy, this inventory. And they had similar things.

. Q The boxes, for example, that contained the grenades had United States markings?

. A Correct, a lot of the boxes were repacked, let me put it that way. Some of the stuff in them was taken out and other material like guns or anything, repacking them just like you go to the grocery store and get a couple cardboard boxes and repack them and mail them someplace.

. Q Just one or two questions more on this line. Were the warehouses at the farm resupplied during the period of time that you were there?

. A They could have been. This was all taken care of by their own people. These people were very elite compared to the few people we had at [redacted] How they got it there [illegible]'t know, but I know they were resupplied with [illegible]chutes and aviation gas and other things, uniforms and stuff like that, I believe, came in there.

. Q But you don't know how?

A I never seen it because like I say we would fly there, stay a few days and be gone and probably wouldn't be there for a couple weeks more and return just maybe for a quick trip in and gone again.

Q Did you remain friendly with Cooper during the period of time you were there?

A Oh, very much so, yes. Personalities changed a little bit but--

Q Who did Cooper answer to? Who was Cooper's supervisor?

A I know Dutton was a supervisor, one of his immediates. Above that it was hearsay. I heard names like Gadd which I heard also that Dutton replaced Gadd; above that there was, everybody was asking who is above this and Secord's name was brought up several times, but Bill Cooper himself never really come out and said yes, you know.

A couple other guys like [redacted] and [redacted] and they were sitting around House 3 one night and they were brought up and I believe it was in Time or Newsweek, one of them where Secord's picture was in. Bill pointed him out and said that is the guy. Things like this.

Q Did you ever meet Dutton?

A Yes, I did.

Q Did you know, had you ever met Dutton prior to the time you went to Central America?

. A No, I did not.

. Q You met Dutton down in [redacted]

. A I met him, yes, well, [redacted] being the same place, yes.

. Q How long was he down there?

. A I would say approximately a week.

. Q Do you remember when it was?

. A September 8, this is the first time I met him. September 8 I believe was on a Monday.

. Q Okay. Was this after you had returned from your two weeks?

. A Correct.

. Q Did he go back down to [redacted] with you?

. A No, he was there already when I got there.

. Q He was there approximately for a week?

. A Yes.

. Q Did you have any conversations with him?

. A Yes, myself, I was more or less in charge of the head air freight specialist, in other words, and I was in charge of making sure we had enough equipment on hand to resupply anything by air, you know, that everything was there which was a nice title but it wasn't worth anything because everything I talked with saying we need so many A7A slings, because I was asked what would it take to deliver this whole warehouse, so I give them an order of 6 or 7 hundred parachutes, so many A7A rings and D rings that go along, but it was never recruited.

They bartered and traded with [redacted] for a lot of this stuff. That is mainly what I talked with Dutton about. If I needed it he was supposed to recruit it here in the states through whoever he deals with.

. Q Do you know who Dutton worked for? Do you know who employed Dutton, let me ask you that?

. A No, no, I do not.

. Q Did you become friendly with Dutton?

. A Well, he was a likeable guy.

. Q When is the last time you talked to Dutton?

. A Oh, let's see, 13th, right up in there, 14th, right just before he left there I believe.

. Q Thirteenth or fourteenth of September?

. A Yes, correct.

. Q So you have not talked to him since you have been back in the states?

. A No, I have not seen or heard from him myself.

. Q And did Dutton tell you anything about anything else about the operation?

. A No, Dutton was very coy, just being, you know, his [illegible]osure time in front of everybody there was very short, and he was very coy of what he said to anybody, being in the higher echelon, kept his conversations down to maybe Cooper and maybe myself and [redacted]

. Q Did Cooper tell you anything about Dutton?

. A No, not much, he just said he is more or less in charge, when he is here, and stuff like that.

. Q Did Cooper, I take it Cooper from time to time must have been calling people, let me put it this way, I have the sense this operation was constantly needing more material and more money and various things and Cooper must have been calling people asking for additional material and things like that. Is that true? Is that an accurate assessment?

. A That is a very accurate assessment.

. Q Do you know who he called?

. A I knew maybe that he called Dutton because a couple times he said he would have to call but any other names than that really, no, he probably would call SAT for parts and stuff like this but there was many a phone call that came in for him and many phone calls that went out. This was just a lot of times a short period of time that I would visit House 3.

. Q These were calls made in and out of House 3?

. A Yes.

. Q That is where Cooper lived?

. A Correct.

. Q Did he have an office in House 3?

. A Sort of, I guess you could say. He had his own private bedroom and that.

. Q To your knowledge did he ever talk, this again as I say is to your personal knowledge--did he ever talk to Mr. Secord?

. A To the best of my knowledge, I never knew that he did.

. Q Did he ever tell you that he talked to Secord?

. A No.

. Q You indicated that you mentioned a Mr. Gadd, G-a-d-d, I believe it is, did he talk to Gadd during the time that you were there?

. A I do not know, no.

. Q I think I asked you earlier about De$\overset{Ga}{ge}$ray, did he talk to him during the time that you were there?

. A I don't know that. What would happen, he had a phone upstairs in his bedroom and [redacted] room that was turned into an office more or less, there was a private phone in there plus the other phone out.

What he would do is a lot of times he had one of these scrambling machines or one of these you can dictate into like the press has and you stuff like this, you can type everything into it and it was all set up where it had a scrambler on it and you would call the number and he would say stand by, and I would put on a headset and feed everything out and you wouldn't know. He will just erase it after that.

. Q Do you know the make of this machine?

. A I don't know.

. Q Did anyone else have a machine like that?

. A No, it was [redacted] used it. He would know.

. Q It was in House 3?

. A Yes.

. Q Located in House 3. Do you know who was on the other end of those scrambled calls?

. A No, I don't. I know a lot of times he told me a lot of time it was--we would be talking and he would say this is being run directly out of the White House and different things like that. The only thing I can presume if I had those telephone numbers myself, the lists that was acquired from [redacted] where they all went to I could probably say these were there because it is there in black and white.

. Q Let me just--I am not sure I followed that. If you had the list--

. A If I had the telephone numbers that were acquired from [redacted] from the phone company from House 3 when they found out where these phone numbers were here, there or wherever, they had to receive an end. So that is the only thing I could go on. But I didn't know about all this until later on.

. Q But you recall him at the time mentioning that this thing is run out of the White House?

. A Oh, he said that several times, yes. Very seriously.

. Q Did he tell you any specifics about who in the White House?

. A He didn't come out and really pinpoint anybody, no. Bush's name was mentioned a couple times.

. Q Did he know Bush?

. A I don't know.

. Q Did he--I guess I would ask you this way--in what context did he mention Bush's name?

. A When he said it is being run out of the White House and Bush knew things, his name was brought up. I don't know how the telephone conversation went or who he called, but the White House and Bush's name was mainly brought up a lot of times because of Gomez, Rodriguez was there and had quite a bit of power.

. Q I was about to roll into Rodriguez anyway. Rodriguez was actually down there during the period of time that you were there?

. A Yes.

. Q And had you met, did you know him prior to the time that you were down there?

. A No, I did not.

. Q You didn't know him when you were in Southeast

Asia.

. A No, I did not.

. Q Did you know him down there by the name of Rodriguez or Gomez?

. A Gomez.

. Q Did you become friendly with him?

. A Not really, no. I knew him and we talked if we had to talk and that was it, just strictly for business.

. Q Where did he live?

. A He lived [redacted] in the bachelor's officers quarters.

. Q He--

. A I believe. That is where I knew his place was, that is where you could find him now and then.

. Q I want to get back to Gomez but I want to ask about two other people. You made a reference to a person called Ramon. Do you know his last name?

. A No, I have it though and I copied this out of papers. Luis Quesada [Posada] Coralles or whatever it is.

. Q I will ask you, but was his name Ramon Medina?

. A Yes, that is what we referred to him as.

. Q You knew him at the time as Ramon?

. A Yes, this other name had nothing to do with it.

. Q When you give the name Luis Quesada--

. A This was the name the newspaper dug up. Roach was his other name or whatever.

Q This was something you learned after the fact.

A After the fact, yes.

Q We will refer to him as Ramon because I want to keep it restricted to knowledge you had when you were there before you came back.

Was he down there during the course of time you were down there?

A Very much so.

Q There was another name, Rafael Quintero.

A I knew him just as Rafael.

Q You didn't know his last name?

A No, I did not.

Q You have subsequently learned his last name is Quintero?

A Correct.

Q Did they all three live there?

A Rafael would visit, he visited twice during the total duration of my time there.

Q But Medina and Rodriguez were around frequently?

A Yes, they lived right there.

Q Did Medina also live there?

A No, Medina had a casa that wasn't far from House No. 3.

Q Let me get back to Rodriguez. Were those three

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guys friends?

. A Yes, yes.

. Q Did they spend a lot of time together?

. A They talked a lot together.

. Q Did you know any of them before you started working there?

. A No, I did not.

. Q We got on to Rodriguez because you mentioned him in connection with the White House. How was it that you connected him to the White House?

. Again I want to be sure that you are answering as of the time you were there and not something you may have learned about later.

. A This is when I was there, but what was happening was I don't know the exact date of hire when Bill Cooper came in, I understand this Gadd hired Cooper and he also hired [redacted]

. Q Do you know that from Cooper?

. A No, other people told me this.

. What was happening is Cooper was taking over from the other people who were in charge there before Cooper. [illegible] they were hired from or where they came from, I don't know. A lot of people don't know. Cooper probably knew. But [redacted] he knew.

. Q was there prior to that time?

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. A Yes, very much so. What was happening is on and off the base there was conflicts of interest [redacted] Max Gomez was a close companion [redacted] Cooper coming in and taking over and being a new individual, there was conflicts of interest, like I am saying, once Cooper said it would be done this way, but we all got to get along, and there was head bumping. Now and then we couldn't fly the airplanes, couldn't even get on to [redacted] air base for the reason Max Gomez would tell [redacted] this is the way it is going to run, Cooper would knock heads with Max Gomez, Max Gomez would have the upper hand being friends [redacted] and you couldn't get on the base or touch the airplanes, so it threw a lot of monkey wrenches into the process of what was happening.

. Now what was happening there is one time Cooper made several phone calls to whoever he was making them to, he said he had had about enough of this, he has to have command or put somebody else in charge to take care of this madhouse.

. So when these names were brought up, [redacted] was telling me that, well, Bill Cooper is going to lose. He is going to lose right away because Max Gomez is going back to the states, he knows George Bush personally because Max Gomez supposedly being with the CIA and George Bush's connection with the CIA, were friends. So there is just, you can just about lay money Bill Cooper was going to lose and Max Gomez would come out the victor.

This is when George Bush's name was brought into it much heavier by [redacted]

. Q Now, when did this bumping take place?

. A This was in July and August.

. Q Was there more than one conversation with [redacted] [redacted] about the conflict between Gomez and Cooper?

. A Yes, [redacted] being one of the first individuals there was not in favor--he did not care for William Cooper that much as some of the other people that Cooper let terminate themselves, and which [redacted] was one of them.

. Q Did he--

. A There was bad feelings a lot of times.

. Q Cooper fired [redacted]

. A No, he let just about everybody terminate themselves.

. Q Okay.

. A That is where things were said because William Cooper was drawing back trying to establish a new thing here getting people who did this before, that is why he was calling people like [redacted] myself, he was going back to where people did all this stuff for many years and he was trying to form a nucleus. That is exactly what happened here except for a few of the people, one of the pilots had stuck around that fit into it very well.

. That was Sawyer, Buzz Sawyer. He just fit into it beautiful. But anyway, out of all this stuff Cooper was back in the states, Max Gomez was in the states, and all of them came back and William Cooper won the battle and he was in charge and Max Gomez was told to keep a low profile, but Cooper being the individual he was, he did not want to lose him as an ally, Max Gomez, because of his expertise of knowing everybody there, knowing the shortcuts and all the political parts of it.

. So they got along together after that quite well.

. Q So did Cooper and Gomez both go back to the states together?

. A I believe they were, yes.

. Q Do you remember when that was? Was it before or after you went home for your two weeks?

. A That was before.

. Q So sometime in August probably?

. A Correct.

. Q Do you know who they met with?

. A I don't know. I know they went back to Washington here.

. Q Okay. Do you know whether they saw any political

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figures or whether they saw Dutton?

. A No, I don't know.

. Q Other than that one week, was Dutton ever down there?

. A That was the only time I ever seen him down there.

. Q Did Bush's name come up in any context other than this battle between Cooper and Gomez?

. A That was mainly it, yes.

. Q And during the times that Cooper would make references to this thing being run out of the White House as you said, he never mentioned any specific names or anything?

. A He never mentioned any names, no.

. Q Obviously a name that has arisen since then was Colonel North. Was that name ever mentioned?

. A I never heard his name before.

. Q Was he ever down there to your knowledge?

. A No.

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. Q And Admiral Poindexter, was his name ever mentioned?

. A No.

. Q Do you know Colonel North?

. A No. I don't know the man individually.

. Q You have never met him?

. A No.

. Q And never talked to him on the phone?

. A No.

. Q To your knowledge, Poindexter was never down there during the period of time you were there.

. A No.

. Q When was the last time that you spoke to Gomez?

. Let me ask you this--that is a bad way to ask it--have you spoken to Gomez since you have been back in the States?

. A No.

. Q Have you spoken to Medina since you have been back in the States?

. A No.

. Q Or have you spoken to Quintero since you have been [illegible]k in the States?

. A None of them, no.

. Q This may be a hard question to answer, but what was

Gomez' day-to-day responsibilities?

A Gomez was to the best of my knowledge just thinking it over, he was our liaison [redacted] he was also liaison very much so in between the FDN [redacted] and also the UNO team, however they communicated or however they did it, he was in charge of that. He knew whatever or however they communicated.

Q Did Gomez ever tell you--you indicated [redacted] told this story about how Gomez was CIA and Bush was CIA. Did Gomez ever tell you he had been with the CIA or was CIA or anything?

A No, Max Gomez and I, we never had conversations like that.

Q I want to ask about the two other individuals which are Medina, what were Medina's day-to-day responsibilities?

A Medina was underneath Max Gomez. His main job would be making sure the houses were all taken care of, they had the proper servants, the food was there, rent was paid, vehicles were kept running, the drivers, and making sure we had fuel for an aircraft.

Just miscellaneous stuff like that.

Q Did he pay the expenses?

A Yes, he had an expense account, I believe, yes.

Q Do you know who employed Rodriguez?

A No, I don't know who he actually came underneath, no.

. Q You don't know if he was on the payroll of Corporate Air Services?

. A I doubt that they are such.

. Q How about Medina?

. A I doubt that they are much.

. Q You doubt it but you are not sure?

. A I am not sure but I doubt it very much.

. Q Do you know where Medina got the money that he used to pay his expenses, to make his payments for expenses?

. A Yes. All this here money, they would have different pilots or different mechanics would rotate between Miami and [redacted] They would carry as much cash legally on them back into [redacted] in U.S. currency.

. Q You were back in the United States two times. Let me take those one at a time. You were in the United States two times, the first time you went down there, did you carry cash with you on that occasion?

. A I never carried any cash with me.

. Q As far as you know, [redacted] didn't either?

. A I don't believe so, no.

. Q The second time did you carry cash with you?

. A I didn't even bother to go through them. I went strictly commercial that time.

. Q The two weeks that you came back I guess was the last week of August and first week of September.

. A Correct.

. Q That was just purely a vacation.

. A Strictly vacation and meeting my folks, yes.

. Q Do you know where the people who got the money, the cash up to the limit which, as I understand, was $10,000, do you know where they obtained the money?

. A To the best of my knowledge, they got it all from Southern Air Transport.

. Q And what did they do with it when they arrived in [redacted]

. A It was turned over to Cooper.

. Q Cooper.

. A If Cooper wasn't there, it would be turned over to [redacted]

. Q Do you know how many times this happened?

. A I wasn't there all the time when the people rotated or anything, but the exact number of times, I don't know.

. Q Would it happen once a week?

. A Whenever it was feasible or when everybody rotated like even individuals like Rafael when he would come he would carry as much as possible or mechanics or anybody that was coming back and forth from leave or anyone that would come through there who wanted to bring it from Southern Air.

They wouldn't say, you do this, or anything. They didn't force anything on myself anyway.

. Q What were Rafael's days to--you only met him twice, I understand.

. A He was a higher echelon, mainly through the UNO team. He was in charge. Probably higher than Max Gomez.

. Q You think he was higher than Max Gomez?

. A He was never around there, he just came down seldom, two times that I know of, to coordinate different things.

. Q Do you know where he came from on those two occasions?

. A He came from Florida.

. Q Do you know who employed Rafael?

. A No, I don't.

. Q But in each cases he had come down from Florida?

. A Correct.

. Q And it is your understanding that he brought down with him cash on each occasion?

. A I believe so, yes.

. Q And where did Rafael stay when he came down?

. A I don't know. He might have stayed there at house [illegible] a couple times. Now and then people were there or not [illegible]. There were three or four bedrooms. Other than that, he might have stayed at one of the hotels [redacted] [redacted] or something.

. Q What did he do when he came down?

. A He would mainly talk with Cooper and Ramone and Max Gomez.

. Q Did Cooper tell you what his role was?

. A No, he did not.

. Q Did [redacted] tell you what his role was?

. A No.

. Q Did you have personal conversations with him?

. A Not really. He just asked me if there was enough equipment and how were these people in [redacted] how were they doing for rigging and material and stuff like that because I was changing it around a little bit because it wasn't really up to specs.

. Q Let me ask you, I think I asked you but I want to be sure I did, the code machine that you indicated that Cooper had, that was used by Cooper and [redacted] and [redacted] did anyone else have a code machine like that?

. A That was the only one I know of that was there, yes.

. Q But all three of them used it?

. A Correct.

. Q Do you know where they got it?

. A I don't know where they accorued it.

. Q Are you getting tired?

. A No. I am not tired. I am here to do whatever you

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gentlemen would like.

Q Was there a guy involved by the name of Cupp, c-u-p-p, or c-u-p?

A I don't recall that at all, no. There was always somebody whispering back in the corner all the time and I wondered a lot of the time whether I was even there. I would say, Bill, what is going on? I got to know. But he would say the less you know the better off you are.

Q Did he tell you why?

A I don't know what was going on in his mind, but the amount of people or who he was involved with he was trying to keep secluded for a good reason and I can understand why now.

Q But at the time he didn't tell you why you would be better off not knowing?

A No.

MR. PLEGER: Is that Cup?

MR. EGGLESTON: C-u-p or c-u-p-p.

MR. SMEETON: Two ''p's''.

BY MR. EGGLESTON:

Q I know you were not a pilot, but the times that you made flights, did you always fly with the same crew?

A No. We were trying to keep this project pay, when you were flying into Nicaragua bused up so everybody would be even. So we wanted to fly, started out flying like two

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individuals in the back of a Caribou and a C-123 later on, but back here in the States somebody didn't go along with this because it was costing them extra money, they were cutting corners as much as possible so only one individual would be in the back so we were scattered around quite a bit like I said. I was on ten drops. Naturally there was much more than ten drops, exactly I didn't keep track of them, while I was on leave drops were made and other flights were made, but that is mainly how that works.

. Q So you varied. You were not--

. A Right.

. Q Cooper wasn't always the pilot.

. A No, no. Cooper would stay there much more, he would sacrifice his time to appease people because sometimes you got stuck down there longer than you would like to. The contract more or less was you worked like 21 days on, ten days off, that was the etiquette, something like that, and you tried to do it as much as that. With the number of aircraft we had and the way things were so indecisive, some times there would be a lot of work, then there would be nothing.

. So sometimes you would get stuck a little longer and you couldn't justify hiring anybody else to get involved in this to try and really cover a schedule where everybody could have the exact time off they were talking about.

. Q I want to ask you about how the flights worked. When you knew you were going to make a drop, say, into Nicaragua, actually a drop as opposed to a point-to-point.

. A Yes.

. Q How did you know what to put in the airplane? Who told you what to put in the airplane?

. A We ourselves did not decide this. [redacted] the contra leaders would say, we would just say okay, this is such and such, we can take 5,000 pounds, that is usually what we give them. They would decimate the DZ and they would give us 5,000 pounds of equipment and that would be it.

. Q So when you flew out of the farm, again using that form of the term, you had the DZ priority the time that you left.

. A Oh, yes.

. Q And was there some signal that would let you know that it was safe to drop or that whoever was to receive it was going to be in the area or anything like that?

RPTS BRADFIELD

DCMN DONOCK

12:15 p.m.

A Yes, out of the farm again, we would take a contra radio operator with us, and he would come along and he had two HF radios, in case one malfunctioned and another one, a small little brick radio, and he would talk to the team himself and verify things, he would know exactly where the drop was, but all these drops I was on were all at night, but he would make contract, make sure it was the team.

Now and then, you would be flying and somebody else start talking, the over-here trick.

Q When you flew out of [redacted] did you have a contra individual with you on those occasions?

A Occasionally we did, like the last trip we did, but there was altogether different. They were supposed to have signals out. Different variations we tried to set up, but the UNO team was altogether different. They never had a signal out once and after we returned a couple of times with the cargo, other people like Gomez and Raphael, they just said okay, this one place [redacted]

You couldn't miss the geographic location. Drop it all there anyway, which we did before we got back to [redacted] they come up and got it, you know. This happened several times like that.

. Q So on those occasions when you dropped in the south, who was it you told, who told you or the pilot where to drop?

. A This all came through like Max Gomez, came up with the coordinating drops, the coordinates for it, or Ramon had it, and where they got it.

. Q You don't know?

. A My suspicion is, it could have came out of [redacted] [redacted] Florida or out of any place.

. Q On those occasions, as far as you know, they were the people.

. A Yes.

. Q Did either one of them evary go in flight?

. A No, they were not allowed to. At one time, I believe, I wasn't there then, I guess Ramon went on a flight.

. Q On the occasions when you flew out of [redacted] as opposed to out of the farm, how did you know what to load in the plane?

. A [redacted] was the same way, Captain Lomez was a Liaison there with his radio operators, it was already confirmed there we could take so many thousand pounds there.

. Q And [redacted] would tell you what to load in the plane?

A That and coordination with Gomez there and Ramon.

Q Okay, and he was a contra? [redacted]

A Correct.

Q Was he located right on [redacted]

A Yes, he lived in the officer quarters there, I believe.

Q Did [redacted] have a code machine?

A No, he didn't have anything like that. I know in the back of this warehouse [redacted] there was a small quarters in the back where his men stayed, three, four of them, they had bunks, showers, and there was a larger radio there.

Q You don't know whether it had scrambling capabilities or not?

A I don't think so.

MR. PLEGER: When do you eat?

[Discussion off the record.]

MR. EGGLESTON: I was making sure I wasn't leaving anything behind, since I sort of ignored my notes. Depending on what other questions the other people ask, I was hoping we could finish and go to lunch later.

BY MR. EGGLESTON:

[redacted]

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[redacted]

. I am going to ask you about some other names, and ask you whether you know these names, and as I ask you these questions, during the time that you were down there, not what you may have learned about any since you got back.

. Donald Gregg, G-r-e-g-g?

. A No.

. Q John Singlaub?

. A No, I am referring all this to as a time I was actually involved in that time zone.

. Q Right, not since then?

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. A Like some of these names came out later on, after I was in prison.

. Q A P. J. Bleckler?

. A No.

. Q Robert Owen?

. A No.

[redacted]

. Q Okay, you were paid during this time by the wire transfer method, is that correct?

. A Correct.

. Q Let me get up to the day that you were shot down. You have described the flight to us when we had the map out, so I won't go through that again.

. Who are the other members of the crew?

. A When we were shot down that day, William J. Cooper, Buzz Sawyer, and one of the contra radio operators and myself.

. Q And do you remember what you had aboard?

. A Our cargo consisted of jungle boots, ammunition, RGP-7 ammunition, and AK-47s.

. Q Okay, was it approximately 10,000 pounds?

. A Correct.

. Q What time did the flight leave?

. A Approximately 8:00 in the morning, a little after 8.

Q This was not to be a night flight?

A No, definitely a day flight.

Q What time of the day were you shot down?

A It was 12:40, 12:38 exactly.

Q I am not going to dwell on this, but after you were shot down, how long was it before you were captured?

A It was just about 24 hours.

Q Okay, during the period of time that you were imprisoned, I assume that you were questioned fairly frequently?

A Correct.

Q Are there particular people that the Sandinistas were asking you about, about whether you were involved?

A They were coming up with names neither of us heard, mainly on Latin contra side [redacted] their Department of Interior probably knew or suspected of different things.

Q Did they ask you about Americans?

A They asked like Singlaub, Secord, anything that was elaborated from United States news media or which their own information had.

Q Do you remember anybody else other than Singlaub or Secord?

A There probably was, but I really forget over this time period.

. Q I can understand. I am sorry, let me go back, another matter I wanted to ask about.

. There was some report about a meeting that took place around August 8 of 1986 where Gomez and Medina met with the crew. Were you at that meeting?

. A August 8. It could very well be. Where was it supposedly to happen?

. Q It sounded to me as if it was a pep talk kind of thing.

. A There was one in House Number 3, at one time they came up and said, okay, the operation is closed down, pack your bags, it is all over with, boys. Later on, Gomez and Medina came up, well, it is back on, guys, we got to be freedom fighters, we got to do this stuff for nothing. Everybody looked at him like he was crazy.

. Q How long was it between the two meetings?

. A What do you mean?

. Q I got the impression they said, we are done.

. A This was about the same day. We were at [redacted] Poor Cooper, he really went through a lot, really a patriotic individual, trying to turn this thing into a situation that would work.

. One of his statements always was, we are going to win this one for a change, and the input that he would get from his telephone calls to the States, or wherever, and the people he knew there, he would come and he would try and tell us something, and before he knew it, it would change after he told us, so you know, he quit knocking--he was going crazy.

. Q Did you know, you were ultimately released for Senator Dodd, is that correct?

. A Correct.

. Q Did you know him before?

. A That was the first time I ever met the gentleman.

. Q Do you know why it was that you were released to him?

. A Politics.

. Q Did the Sandinistas tell you anything about why you were released to him?

. A No, however it happened, I don't know.

. Q Did there come a time they told you you were going to be released?

. A They told me from the first day I was captured, I was going to be released.

. Q Did they tell you that you would be released after a trial?

. A They told me there was going to be a trial. I would [illegible] found guilty. I would be released, and underneath the conditions I followed and did what they said.

. Q So they told you from the very beginning that you would be released?

. A Yes, if you could believe one way or the other what they meant, yes.

. Q Okay, is there anybody else who worked with you down there who you think it would be helpful for us to talk to, who might have more information than you, or different kinds of information?

. A I don't like to point fingers or anything, but for the best of this whole thing, if you got a hold of [redacted] [redacted] or [redacted] these two people could give you more than anybody else, because they were in charge of the office there more than anybody else.

. Q How about [redacted]

. A Yes, he would be another curious individual, because he is curious to me. He is a stout man that was very bull-headed about a lot of things. Somebody else hired him, he would be very helpful, and it would show another light anyway.

. You can have that if you so desire. This last name I put on the bottom, that is just where I received the W-2 form.

. Q Is there anybody else other than who you mentioned who would be helpful for us to talk to?

. A They would be the main kingpins.

. Q Is there anything else you would like to tell us about your experience that you think would be helpful?

A I can't think of any, unless somebody stimulates it with a question or something.

MR. EGGLESTON: I think I am done with my questions.

MR. VAN CLEVE: Would you like to take a three-minute break here, and then I have some questions.

[Recess.]

MR. EGGLESTON: I just have a few more questions to ask, having just had a chance to review some notes.

BY MR. EGGLESTON:

Q You had indicated that much of your material that had been in your room, and of course, everything that was with you at the time you were shot down had been taken from you. How did you get this back?

A That was left in there, because there is nothing really that important in there.

Q This was left in your room?

A That was in my briefcase, yes, the briefcase, I had like my passport was in there, all my tickets, general stuff anybody would accrue there, all those writings I had.

Q This was left behind in your room?

A All my personal belongs were left in the room.

Q You testified you eventually received them.

A Yes, most of those phone numbers in there--in fact, I even had a phone book, so you would have access to different numbers.

. Q Let me just, while I am here, this is Exhibit EH-6, and I am referring to one of the last pages, phone from USA to [redacted] and it lists some numbers, this is the phone number of House Number 3, and the number you read off?

. A Correct.

. Q This is the number for Ramon?

. A Yes, this here I marked down myself, which I relayed to my wife, I gave her back in Wisconsin there, at any time if she wanted to call me direct, all you would have to do is phone from USA to [redacted] and you have Casa Number 3, and if nobody was there, the maid or something, you could call [redacted] which would give you Ramon's casa.

. That is what that is mainly for.

. Q I have understood that [redacted] might have collected some personal belongings of various people after the operation was closed down, after October 4th. Did you receive anything back from [redacted] return anything to your family?

. A When I came home myself after this, there was a couple boxes in my house that was delivered, and it just had my address on it with SAT stickers on it, and it was back there, all my personal belongings, except when I went through my attache case, I was curious about these phone numbers like Langton and the numbers Cooper gave me, which turned out to be all SAT numbers, stuff like that.

. Q They are all gone?

. A Yes, and my return tickets [redacted] to Miami was gone.

. Q I had asked you, and you have testified about signing a contract with Corporate Air Services. Where did that signing take place?

. A It was in a restaurant somewhere in Miami.

. Q Who was present?

. A [redacted] Cooper and myself.

. Q Okay, and so you, [redacted] all signed contracts at the same time?

. A Correct.

. Q This was sometime in the period between July 7 and July 9 of 1986?

. A Yes, I would say that was July 8, and there was--it was redone back again in [redacted]

. Q It is my understanding that Southern Air Transport was making eight flights of non-military aid down to [redacted] did that happen during the course of the time you were there?

. A I don't recall or remember any such thing. The only thing I remember about Southern Air Transport doing anything was maintenance on the aircraft.

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. Like I said, that jet was being replaced, because it had a bird strike it in the air, so they had to replace a jet. That is why that was there and the communications equipment, stuff like that on it.

. Q You don't recall Southern Air Transport ever flying down directly?

. A No, I do not. It was never there. I know Southern Air Transport came in there, because at one time, to bring, oh, there was a couple, like an extra engine, a bunch of other parts, and some other stuff they brought down there earlier, a C-130 flew in there and dropped off some of the equipment.

. Q That was before you were there?

. A Much before I was there, yes.

. Q During the period of time that you were there, was the plantation still being developed or had they already decided to abandon the plantation?

. A No, it was already abandoned by the time I got there.

. Q Do you know where the funding came from for the plantation, anything about the development of the plantation, whose idea it was?

. A The only thing I heard, that it belonged to some American. That was the only thing, the real estate itself.

. Q You don't know who the American was?

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A No.

Q Let me ask you about the ammunition boxes, the military boxes, were they in any language other than English, [redacted]

A No, to the best of my knowledge, I have never seen any boxes that come out with actually English written on them saying, well, this is hand grenades; all numbers, color codings, different things on different boxes saying, okay, like it might be, whatever the number is for fragmentation grenade.

It is on there, plus like a little gray, with a black and a yellow stripe on it. This designates hand grenades, fragmentation type.

Q Did you know a man by the name of Charles Tyson?

A Tyson?

Q Do you know a man by that name?

A Tyson rings a very good bell.

MR. PLEGER: There is a Donald Tyson with the Embassy in Managua.

BY MR. EGGLESTON:

Q Did you know him before you were shot down?

A No, Embassy Counsel.

Q How about Sam Waters, is that a familiar name?

A No, it is not.

Q The gasoline, gassing up these planes was a constant

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requirement. Where did you obtain the gasoline to gas up the planes?

. A Gas was obtained [redacted]
It was purchased per flight.

. Q Who actually did the purchasing?

. A Ramon or Max Gomez would actually pay for it.

. Q Paying cash?

. A Paying cash for it.

. Q Were there ever times when they got the gas on credit?

. A I have heard there might have been, yes, but it wasn't a thing that they allow.

. Q [redacted] wanted to get paid in cash?

. A Correct, if you didn't have the cash, no gas.

. Q But the people who made the purchases would either be Gomez or Ramon?

. A Correct.

. Q How about Rafael Quintero?

. A No, that wasn't his game down there. That was mainly Ramon, that was their job.

. Q On each occasion, would they be the ones who would appear with the cash to pay?

. A I never say anybody come across and pay anybody any money.

. Q Do you know where [redacted] is?

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. A I believe he lives in Georgia or somewhere down south. He is a retired warrant officer of the United States Army. He was, in parachute rigging, stuff like that. [redacted]

[redacted]

. I never got his address. There is other people's I have.

. Q [redacted] was there when you got there.

. A Correct.

. Q Do you know when [redacted] arrived?

. A No, but I believe he was there before Cooper and everything. He was there for quite a while.

. Q Meaning as early as the beginning of 1986?

. A This could be, I couldn't put a direct time on it.

. Q How long after you got there did he leave?

. A I believe he left the beginning of August, somewhere in that time period.

. Q What was his job again?

. A He was mainly according to Cooper hired through Gadd as a rigger, mainly, but he flew on the aircraft.

. MR. PLEGER: You said that you saw color coding and numbers on these boxes. I am not sure whether you said you say no words, English, or other words on the box?

. MR. HASENFUS: It might say numbers like lot, like all military. Everything goes off number. There is never a name for it. Everything is by number. If you don't know the number, you are lost.

MR. PLEGER: All right.

BY MR. VAN CLEVE:

Q Let me start by saying we appreciate the fact that you are willing to be helpful to us. I will try not to make this any longer than it needs to be. Mr. Eggleston has covered a fair amount of ground we would want to want, but there are a few additional questions by way of clarification that I would like to ask.

Taking you back to early July 1986, I believe that it was your testimony that you flew to Miami on your way down to [redacted] is that correct?

A Yes, from Marinette, Wisconsin, via Green Bay, to Miami.

Q You were met at the airport by Bill Cooper?

A Yes.

Q If I understood you correctly, shortly after that, you had a meeting with Mr. Cooper [redacted] and another individual?

A [redacted] came in on another flight, yes. [redacted] came in on another flight, but we didn't meet him at the airport, because we missed him. We met him back at the Holiday Inn.

Q Sometime after that, you went out to a restaurant?

A Yes, we went out and had dinner, a couple after-dinner drinks, and stuff.

. Q Was this the same day that you reached Miami?

. A No, [redacted] and I and Bill talked for a while. Later on in that evening, we met up at the Holiday Inn, top floor, had a small late snack and talked a little bit; and the next day, we all went out to Southern Air Transport and we mingled around, and Bill was asking us what we needed on the aircraft.

. Q Was it that day or the day before that you signed the contracts with Corporate Air Services?

. A I got there the 7th, so that would be the 8th.

. Q After you went to Southern Air Transport, you went out together again?

. A Throughout the next day, we had breakfast, lunch and dinner together, yes.

. Q What I wanted to do, you went to dinner and it was at that point that Cooper asked you to sign contracts with Corporate Air Services?

. A Yes, at one of the lunches, I believe lunch on July 8 that would have been.

. Q Okay, can you tell us again, so I have this clear in my mind, exactly what was said to you about who it was you were going to be working for?

. A He said, the exact word out his mouth, coming out exactly like we worked before with Air America which we worked all government, under different contracts, and he said it is the same thing.

We are working directly right here for the U.S. Government. He didn't specify or anything. He says it is right for the White House, everything is right out of there, because [redacted] and I both reiterated ourselves on this a couple of times, to make sure who we were really working for and knowing Bill for a long time, I had a lot of trust in him, and working, SAT being in there again, it seemed to all fit together, the same picture.

Q I see. I appreciate that, and if I understood you correctly, Cooper told you that the paperwork with Corporate Air Services as a front, came right out front?

A Yes, as a front, definitely yes.

Q That was his statement?

A Yes.

[redacted]

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DCMN STEVENS

. Q If I understood you correctly, you said that on several occasions William Cooper told you that the operation that he worked in was being directly run out of the White House?

. A Correct.

. Q Did he ever say ''I just got a phone call from the White House''?

. A He never came out and made any bold statements like that, no.

. Q Did he ever say ''I have got orders from the White House''?

. A No, he never said that, no.

. Q Did he ever say ''Our friends in the White House want us to do this or to do that''?

. A No.

. Q Did he ever show you any kind of paper that he suggested was instructions from the White House?

. A Whatever came in and how we ever operated through his scrambler or whoever he talked to, he kept quite well to himself. He did a good job on that, I would say.

. Where it all came from, who exactly these addresses were likely will reiterate would come from these phone numbers a lot of them. What that would actually mean, I don't know either.

. Q Sure. But he never said anything to you?

. A He never came out and said directly on that is a presidential order, no, he never said anything like that.

. Q He never gave you any specifics at all? He made statements like the ones you describe, but he never gave you specifics that you could tell us?

. A Whatever he had there he wouldn't come out and tell us anything directly like this phone call that came from this individual here or this person, he just made mention to keep us in confidence that we were working for our government.

. Q Okay. Have you known him for a fairly long time?

. A I have known him since 1966.

. Q Do you have any reason to think that he would keep information from you?

. A If it had anything to do with our life, he would not keep it. He would help us the best way he could, but any other involvement in this operation to keep it going, you know, he would protect that operation to the best he could. That would be not giving us any of this information unless it would be on a very ''to know'' basis.

. Q Okay. Did he ever, wile you were down in Central America, have contact with anyone that you thought was an employee of the Central Intelligence Agency?

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. A No, there was no direct contact with us. Like I say, over there there was the military group, many people running around. [redacted] in itself is a fairly good size, not a huge air base or anything but the amount of Americans in it stood out and especially your embassy, they really stood out.

. Q But in terms of your work and your operation, did you have any contact with them?

. A Nobody would come near our group, the military group would drive by and probably nod a head or something, but, no, you know, a C-130 from the National Guard would fly by or C-141s would fly by, they could see us loading them and they would look out like somebody would wave back, but as far as any CIA agent coming out and making any direct contact with us--if one did, I wouldn't know who it was really, though.

. Q Sure. Okay. If I recall correctly, you were captured by the Nicaraguan forces on October 6, 1986, is that right?

. A Caught by, captured by the Sandinistas.

. Q By the government forces.

. A Yes.

. Q October 6, 1986.

. A Correct.

. Q Okay. And you were released when?

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. A December 17.

. Q So you were held, if my arithmetic is right, about two-and-a-half months?

. A Yes.

. Q Can you tell us where you were held?

. A I was held--starting off it was at El Caipote. I got it written down here. El Caipote prison right in Managua. Of course, it is very close security prison where they don't let you even see daylight.

I was held there until the latter part of October which I was, when a trial started for the tribunal. Then I was transferred over to Potopa prison.

. Q In general terms, how were you treated during your confinement?

. A Later on in confinement I was given a separate cell to myself which they made especially, it was an office and they turned it into a cell. Not an office as we know offices, but that was it. I was put in with another Luther, Joseph Luther, who also carried an American passport.

I believe he was a double agent myself. But they took care of me to a pretty good degree. They wanted any contact that I made with any media or anybody else to be favorable.

Sociologically, they set me up much different than any other prisoner would have been set up.

. Q Were you ever physically threatened in any way during your confinement.

. A Only in the beginning.

. Q Could you elaborate?

. A When I was first captured, a lot of them threatened they would kill me on the spot and things like this. But that goes without saying really.

. Later on when I was brought into Managua, the army had me first--their first questioning period came by them and they played the game pretty rough the first day, but later on, maybe 2:00 or 3:00 in the morning, they slacked off and they started getting a little more humane and they just sat down and talked then.

. Q When you say they played pretty rough, could you be a little more specific?

. A Well, when you were first brought in there you were handcuffed, as tight as they could get them behind your back, you were told not to move and if you moved a little they would come and stomp on your toes and stuff like that. You had to look at the ceiling and if you twisted your eyes they would kick you and stuff like that. And you would have to answer questions and this went for hours.

. Otherwise, you have have to stand against the wall, off balance with your head on the wall. At one point I had to have the handcuffs loosened because I would have lost fingers or something because the circulation was cut off.

They were so tight I thought they would have to cut them off because you have to make them go tighter before they release.

. But as I say, some time in the morning, whatever time it was, that ceased. Whatever happened there politically, if something else came in and told them not to do it any more or what, I don't know.

. Q During the time you were confined, were there any other types of threats made against you or your family or anything like that?

. A No. There was never no threats. The only threats that were made if you don't cooperate with us you will get 30 years or more, you know, we can't be responsible for different things like this.

. Q What did cooperation mean?

. A You either go along and say what they want, in content, or you are going to stay here, you are ours. You know, that is duress, really, what it is.

. Q Did they tell you what they wanted you to say?

. A When I wrote out this statement that I have here, there is parts--

. Q Let the record show that the witness is referring to committee exhibit number 2.

. A It is my handwritten one. They were coaching all the way through, you are going to say it this way, this is the way we want it said, different things like that. Like when you would say we dropped, then the words have to be put in there that you were dropping to the enemy, you know, of the Sandinista government known as the FDN and stuff like that.

. That was put in there so when the statement was put in there it was very clerical.

. Q So they told you specifically what they wanted you to say in that confession itself?

. A Yes.

. Q Would you say--could I have it?

. You feel we don't have a very legible copy of this exhibit, but it runs about four pages.

. A When it came out to words like CIA, they had to be in there in bold print, they wanted that stuff.

. Q How much of this statement were you told to put in before you signed it? Roughly, half of what is in here maybe?

. A A good one-quarter of the text had to be worded this way as they said. The rest is fill from start to finish.

. Q I understand. Including specific references to drop zones?

. A To the drop zones and CIA. Air America was really, you know, it was really brought out and flaunted quite well

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because before I wrote some of this stuff, some of it, Mike Wallace had his field day with me. I never had a chance. He was the first American I really had a chance to sit down and talk to. Donald Tyson sat across like you and I for a matter of a few minutes, but he couldn't say anything and I couldn't say anything.

. So when Mike Wallace came in we more or less talked a little bit and he sounded like I am going to really help you, let's get something going and he got out there and really pounded on me and caught me off guard and I didn't know what I was saying really.

. Inbetween this, these guys said this is what you are going to more or less say, and it will involve the CIA and Wallace didn't help me a little bit. If you watched Sixty Minutes, what he is saying you can just about--he asked me a question and answered it at the same time. He just followed suit.

. Q So if I understand your testimony correctly, it is that the substance of the confession that you prepared and signed while you were in prison was essentially dictated to you by the Nicaraguan authorities; is that correct?

. A Correct.

. MR. PLEGER: May I clarify this, Gene? You mean the substance of it or the way things were worded or certain things they insisted to include just so that we are clear.

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MR. VAN CLEVE: I understand.

THE WITNESS: What I am talking about here is directly when we would come to a point I would say it out and start writing, they would say this is the way it should be printed. So there would be changes that way, like, yes, this was definitely to the opposite team, the FDN, who are our enemies and stuff like this, so that was put in there that I was dropping material that was in direct difference to them.

BY MR. VAN CLEVE:

Q And specific references to the activities of the CIA and connections with various individuals and so on?

A Yes, like when Air America was brought into it, it couldn't be Air America, it had to be CIA, I couldn't just say Air America.

Q You are free now and your only obligation before the committee today is to respect the oath that you took when you began your appearance here. Is there any statement that you made either in this confession or while you were in prison in Nicaragua that you would like to explain or reconsider or for that matter take back completely?

A There is nothing I said to you gentlemen here that I would change or take back at all.

Q I am referring to the statements you made while you were in prison.

. A Statements that I made in prison, some of this we went right through the tribunal and they came across and asked if this statement was true going through the tribunal and I reiterated that some of this stuff was hearsay. There is court records on that.

. Like, okay, that Medina worked--that I knew personally that he worked for the CIA and stuff like that, they were trying to get that across. In the tribunal in my part I was asked a few times like, okay, who directly issued these ID cards?

[redacted]

. Everything was changed around purposefully for the greatest propaganda thing they could put out.

. Q I believe you were asked earlier whether you had ever met Senator Dodd before your release.

. A That was the first time I ever met the man.

. Q If I understood you correctly and I was surprised by this, I wanted to be sure I heard you correctly, you testified that you were told pretty much from the beginning of your confinement that you were going to be released as long as you cooperated with the authorities; is that correct?

. A That is what they told me. You can take that as a psychological thing or any way they wanted to use it on me.

. Q Before you were released did there ever come a time when officials came to you and told you specifically we plan to release you?

. A There was times, there were times they played many psychological games on me. Up in my cell many times many high ranking officers would come up and they would all take a look at their special subject inside and they would not really say much or anything and they would take me different places and pull silly games on me, psychological games. You didn't know sometimes they were taking you off to shoot you or what. You never knew when you stepped out a vehicle when you talked with other people, and it got a little scary at times.

. Q Were you ever specifically told that that might happen?

. A They said accidents could happen, very much so.

. Q If I remember correctly, you said you were released on December 17.

. A Yes.

. Q Of last year.

. A Yes.

. Q When did you actually find out you were going to be released?

. A December 17.

. Q Right before it happened?

. A Just about at the same time they were releasing me, that is when I found out.

. Q You had no warning?

. A No warning or anything. What happened earlier that morning maybe about a half hour before I actually knew this, the commander from Tippatopa himself came up there and he was talking about something and what was said was, okay, Luther told me that he was saying within two weeks you are going to be definitely released. It was set up so you can plan on that. I figured it was a bunch of talk. Then he left and like I say it was about 45 minutes later on he came back up again which surprised me, all of a sudden he said something to Luther in Spanish and he said you are leaving now, grab all your belongings. So that is how much of a surprise it was. Next thing I knew I was going through the corridors to his car and into Managua.

. Q So the Nicaraguan officials were communicating to you through the other inmate?

. A Nobody there at Tippatopa spoke English but Luther, the individual that was my cell mate, he spoke pretty good English and Spanish very well, so he would translate for me.

. Q So they would tell him something and he would tell you what they said?

. A Yes.

. Q Was there ever an interpreter present or did they almost always work through this individual?

. A The only time there was an interpreter present was when most of the--of the higher echelon Sandinistas would come and see me. They had their own interpreters with them, military interpreters.

. Q Did any of the Nicaraguan officials ever ask you to agree to make certain statements after you returned to the United States as a condition of your release from prison?

. A No, they didn't, no.

. Q Do you feel as though you have any obligation at all to the Nicaraguans in any way?

. A No. I don't believe I do.

. Q Okay. Is there anything else you would like to tell the committee about your confinement in Nicaragua and your treatment by the Nicaraguans, court proceedings, anything like that that you might like for the committee to know?

. A Well, everybody, I am quite sure, remembers the court proceedings. They were pretty well publicized through this whole thing and it was pretty one way. Everybody knows that. I don't think there is anything to talk about there.

Then being confined in the beginning, like I said, at the first prison in Managua, things were kept very well and they played their psychological games with me and tried to do different things but basically they treated me with enough respect after they got to now me as one individual probably would treat another one, but I was given better treatment than any other prisoner there for the point being that if they were to abuse me enough there would be no sense, they would lose this point that they wanted to get across to make points around the world for their whole shot at this deal.

Q Did you have any conversations with Senator Dodd--you were released into his custody; is that how it happened? I recall reading about it in the newspaper, but I don't know what actually happened.

A Yes, we were released into his custody there. There was really no conversations. He didn't ask any--when we left there by his aircraft into Guatamala, he didn't ask any political questions or anything. He was just sort of happy to get us out of there. He didn't make any statements at all.

Q Okay. So you really didn't have any conversation with him about what had happened while you were in prison?

A No, he didn't get into anything like that really.

Q Okay.

MR. VAN CLEVE: Thank you very much. I appreciate your courtesy and your helpfulness.

MR. EGGLESTON: Thank you, Mr. Hasenfus.

THE WITNESS: The only question I have is will I be called again to come down? Will there be future things?

MR. EGGLESTON: Actually, I guess the deposition is over, you can go.

MR. PLEGER: May I make a request on the record for a copy of the transcript, not at our expense, of course.

MR. EGGLESTON: On that issue I just have not looked at the rules. I think the rules provide something about whether you get one or not. I am sure it is in the rules. I don't have any discretion one way or the other.

MR. PLEGER: Someone will let us know.

MR. EGGLESTON: Yes.

MR. PLEGER: With respect to reimbursement for the expenses for these folks and my own expenses, again, you are the man?

MR. EGGLESTON: I think I am the man.

MR. PLEGER: We send the bills directly to you?

MR. EGGLESTON: I just won't give you my home address.

[Whereupon, at 1:20 p.m. the deposition was adjourned.]

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

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DEPOSITION OF JONATHAN JACOB HIRTLE

Monday, July 13, 1987

House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with Iran,
Washington, D.C.

The select committee met, pursuant to call, at 5:34 p.m., in room B-352, Cannon House Office Building, with Thomas Fryman presiding.

Partially Declassified/Released on 4 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

On behalf of the House Select Committee: Thomas Fryman, staff counsel; R. Spencer Oliver, associate staff; Bill Davis, investigator; and Kenneth R. Buck, assistant minority counsel.

On behalf of the witness: Ralph M. Albright, Jr., Buchanan Ingersoll, 1667 K Street, N.W., Washington, D.C. 20006

. MR. FRYMAN: Okay, would you swear the witness?

. Whereupon,

. JONATHAN JACOB HIRTLE

was called for as a witness and, having been duly sworn, was examined and testified as follows:

. EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE:

. BY MR. FRYMAN:

. Q Would you state your full name for the record?

. A Jonathan Jacob Hirtle.

. Q And, Mr. Hirtle, what is your occupation?

. A Securities broker.

. Q And by what company are you employed?

. A Goldman, Sachs.

. Q Where are you employed?

. A Philadelphia.

. Q What is your position there? What is your title there?

. A Vice president, securities sales.

. Q And how long have you held that position?

. A I was promoted to vice president about three months ago.

. Q How long have you worked for Goldman, Sachs?

. A Five years.

. Q And throughout that period, have your responsibilities generally been in the area of sales of securities?

A Yes.

Q Were you in the securities business before Goldman, Sachs?

A No.

Q What were you doing before then?

MR. ALBRIGHT: Off the record.

[Discussion off the record.]

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q Were you in the military prior to joining Goldman, Sachs?

A Yes.

Q And you were in the Marine Corps?

A Yes.

Q And prior to service in the Marine Corps, were you in school?

A Yes.

Q And where did you obtain your undergraduate degree?

A Penn State.

Q And what year was that?

A Graduated in 1974.

Q And do you have a graduate degree?

A Yes.

Q In what field?

. A MBA in finance.

. Q And where did you obtain that degree?

. A Penn State.

. Q Mr. Hirtle, do you know a gentleman named Clyde Slease?

. A Yes.

. Q How do you know him?

. A I met him--he worked for a client, and I met him personally then. He lives near my home in western Pennsylvania, and I have known him for three years.

. Q You met him connection with his work for a client of yours at Goldman, Sachs?

. A Yes.

. Q And who is your client?

. A Richard Scaife.

. Q And what did you understand Mr. Slease's professional relationship with Mr. Scaife to be?

. A Personal counsel.

. Q And you say you have known Mr. Slease for approximately three years?

. A Correct.

. Q Now you say you have homes near each other in western Pennsylvania?

. A Where I was raised in western Pennsylvania. My parents live--it's near where he lives now.

. Q That's in the Pittsburgh area?

. A Yes.

. Q But you have worked in Philadelphia for the past three years?

. A Yes.

. Q Have you spent periods of time in western Pennsylvania where you have seen Mr. Slease?

. A I do quite a bit of business in western Pennsylvania, so I travel there quite often.

. Q And do you see Mr. Slease from time to time on these trips to that area?

. A Yes.

. Q And you consider him a personal friend?

. A Yes.

. Q Is he also a client of yours?

. A He is.

. Q Now did there come a time when he contacted you about soliciting funds for use in connection with Nicaragua?

. A I think it's unfair to say he contacted me. In other words, we were in a conversation about Nicaragua, and the situation arose.

. Q When did that conversation take place?

. A I would estimate August of--or July or August of 1985.

. Q What do you recall that he said to you?

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. A Simply that if I was interested in Nicaragua, that he had people who were very knowledgeable about the situation and be glad to introduce me to them.

. Q Where did this conversation occur?

. A I think that conversation occurred on the telephone.

. Q How did the subject of Nicaragua come up in this conversation?

. A There was a front page article in the New York Times about General Singlaub, and it was just a topical discussion.

. Q Did you raise the subject?

. A I may have. I don't remember.

. Q Now you recall that he said that he knew people who were knowledgeable on the subject?

. A Yes.

. Q What else did he say?

. A I don't recall. I mean he may have said something about money, but I don't remember that he said something about money at the time.

. Q Well, did he ask you to do anything?

. A No.

. Q Did he ask you to meet with anyone?

. A What basically happened is that at some point we did discuss raising money, and then he--I said to him that I

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don't want to raise money until I am fully--feel comfortable that I am fully aware of what's going on; I want to be more aware; I want to be briefed on the situation; and then he said, ''Well, if you need to be briefed,'' you know, ''I'll hook you up directly with the people who know the most.''

. Q On how many occasions did you discuss this subject with Mr. Slease?

. A Half a dozen, I'd say.

. Q Were they all on the phone, or were some face to face?

. A All but one, I believe, was on the phone. He was in Philadelphia one time, and we had a drink and discussed it.

. Q Okay. How can you distinguish each of these six conversations, or do they flow together in terms of the subject matter of the conversations?

. A They flow together.

. Q So at some point in these six conversations the question of raising money came up.

. A I would say early. You know, before the second meeting the question of money came up, and I would say that the six meetings really is my estimation of how much--how many conversations I had with Terry between the time I first got involved and the time that the whole thing fell apart, and so I talked to him six times, and we talked about it

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every time.

Q All right. And the first conversation was in July or August of 1985, to the best of your recollection.

A Right.

Q And when was the last conversation?

A He called me when he was called before the committee and said that he thought I might be called, so I mean I've talked to him recently about it.

Q And you consider that call one of the six?

A Yes.

Q Approximately six.

A Hm-mm.

Q Apart from that call, when was the last time you discussed it?

A I would say October of last year. I was discussing--

MR. ALBRIGHT: I think that answers the question.

THE WITNESS: Okay.

BY MR. FRYMAN:

Q So there were approximately five or six discussions with Mr. Slease on this subject between July or August of 1985 and approximately October of 1986?

A Yes.

Q And the first discussion was just prompted, you believe, by your reading an article in the newspaper about

General Singlaub?

A Correct.

Q And in that conversation Mr. Slease indicated that he had some knowledge about the subject of Nicaragua and knew people who were more knowledgeable than he was about it. Is that correct?

A That is correct.

Q And then, shortly after the first conversation, if it did not occur in the first conversation, he indicated to you that--or he raised with you the subject of raising money with regard to Nicaragua. Is that correct?

A Yes.

Q And he asked you to assist in raising money?

A I think I might have said something like, ''Well, who's raising the money? I'll be glad to help,'' and he said, ''Fine.''

Q Did he say he was raising money himself?

A Well, I'm not sure I understand the implications of ''raising money.'' I don't think he was sending money himself, and I don't know that--in other words, I think he was involved in introducing people who might give money to people who were raising money; let's put it that way.

MR. ALBRIGHT: I think, Mr. Fryman, you may want the witness to understand that he shouldn't guess or speculate. I mean he's here to tell you what he knows of his own personal knowledge, and I don't think it's fair to ask the witness to guess or speculate about these things.

MR. FRYMAN: Well, I don't think my question did ask him to guess or speculate.

BY MR. FRYMAN:

Q I'm really asking you what Mr. Slease told you that he was doing.

A Terry never actually told me that he was--I never was in a meeting with him where he talked to anybody about raising money, and--but he did tell me that he had meetings where he told me--where he talked to people about raising money. So--

Q And in one of the early conversations he asked you to raise money?

A Yes.

Q Now what did he tell you about the use to be made of funds that he was asking you to raise?

A He was not really very specific about that, and since--he left that up to later conversations, and so he did not--he was not specific about that.

Q Did he mention [redacted]

A He did not.

Q When you say he left that up to other people, do you mean other people that he was arranging to meet with you?

. A Yes.

. Q Did he specify any goal for your fund-raising, any dollar amount?

. A Not that I recall. No.

. Q Now do you have a colleague or associate at Goldman, Sachs named Scott Miller?

. A I do.

. Q Did you work with Mr. Miller in the Philadelphia office?

. A I did.

. Q During the period of time that you were meeting and talking with Mr. Slease?

. A Yes.

. Q Did you discuss with Mr. Miller your conversations with Mr. Slease, or any of them?

. A I would imagine that I did, but I cannot recall specifically discussing a specific discussion with him.

. Q Did Mr. Miller participate in any of the conversations with Mr. Slease?

. A Yes.

. Q Was he on the phone when you were talking with Mr. Slease?

. A I don't remember specifically that he was, but it's possible that he was. We sat next to each other, and it would be reasonable that he was.

. Q And I believe you indicated you had at least one face-to-face meeting with Mr. Slease on this subject.

. A Yes.

. Q Did Mr. Miller--was he present at that face-to-face meeting?

. A No, he was not.

. Q Do you know if Mr. Slease asked Mr. Miller to assist in fund-raising with respect to Nicaragua?

. A I do not know.

. Q Now going back to the early conversation where he raised with you the subject of raising money, you indicated that you would like to learn more about the subject before you did anything and you would like to talk to people more knowledgeable about the matter.

. A Correct.

. Q What did he say in response to that?

. A He said that he would arrange for a meeting in Washington.

. Q Did he indicate with whom you would be meeting?

. A I would meet with Roy Godson and Colonel North.

. Q Did those names mean anything to you?

. A I was acquainted with Colonel North from the Marine Corps.

. Q You had known him previously?

. A I was just--I believe I met him once in Okinawa, but

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I am more familiar with his reputation.

. Q What was his reputation?

. A It was very strong, fast track, charismatic, very positive reputation. When I heard his name, it made me be more inclined to be involved.

. Q Do you know if Mr. Slease had been in the Marine Corps?

. A I do not--no, I'm sure he has not been.

. Q Had Mr. Miller?

. A No.

. Q Had you heard of Mr. Godson?

. A No.

. Q After this, what we believe is the second conversation where this discussion occurred, did Mr. Slease then get back to you with the details about such a meeting with Colonel North and Mr. Godson?

. A Yes.

. Q Did he get back to you promptly?

. A I think within a week.

. Q And did he arrange for such a meeting?

. A He did.

. Q And did a meeting occur?

. A It did.

. Q Where did it occur?

. A The Executive Office Building.

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Q Who attended?

A Roy Godson and myself met at Colonel North's office with Colonel North.

Q Did Mr. Slease attend?

A He did not.

Q And what date was this meeting?

A August 28, 1985.

Q Do you recall the time?

A It was for 2 o'clock. Two o'clock in the afternoon.

Q Is that a copy of a calendar that you just referred to?

MR. ALBRIGHT: Off the record.

MR. FRYMAN: Sure.

[Discussion off the record.]

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q Mr. Hirtle, would you read for the record the notations in your calendar that relate to this meeting?

A Under 28 August, Wednesday, it reads, ''1400. Oliver North. 392 Executive Office Building. Roy Godson. How do we handle payments?''

Q And Mr. Godson's name in the calendar is misspelled. Is that correct?

A That's correct.

. MR. FRYMAN: I would ask that a copy of this page of the calendar be produced, and it is satisfactory to me if the other entries on this page which are unrelated to this matter be redacted.

. MR. ALBRIGHT: That's agreeable.

. MR. FRYMAN: And will you produce that and send it to me?

. MR. ALBRIGHT: Yes, I will.

. MR. FRYMAN: All right.

. BY MR. FRYMAN:

. Q Is that the only entry in your calendar, Mr. Hirtle, that relates to the subject of your fund-raising with respect to Nicaragua?

. A It is.

. Q And you have reviewed your calendar to determine if there are any other entries?

. A I have.

. Q Do you have any other documents in your file that concern Nicaragua?

. A I have a paper written by Thomas F. Dowling called ''Nicaragua: Misconceptions And Facts.''

. Q And you have that with you today?

. A I do.

. Q And that indicates that it was prepared by the Latin American Strategic Studies Institute and has a date of

March 17, 1986. Is that correct?

. A That's correct.

. Q Is this the original copy that you have with you today?

. A It's the original one that I received, yes.

. MR. FRYMAN: All right. I would ask that a copy of this also be produced. Is that satisfactory?

. MR. ALBRIGHT: That is.

. BY MR. FRYMAN:

. Q Now apart from the page of your calendar that you referred to and this paper prepared by Father Dowling, are there any other materials in your file that relate in any way to your fund-raising with respect to Nicaragua?

. A No--I would ask you to clarify what you mean by ''fund-raising,'' and, once again, because I never saw any money, so I'm not sure that I was involved in fund-raising, but I don't have any documents, period.

. Q Well, let me just broaden the question then. Do you have any other documents in your file that pertain to the subject of Nicaragua?

. A I do not.

. Q Now going back to the meeting on August 28, that meeting, you have indicated, occurred at 1400 hours, or 2 p.m., I take it, in civilian terms. Did you come to Washington that morning from Philadelphia?

. A Midday, yes.

. Q You had, prior to this meeting, never met Colonel North or Mr. Godson. Is that correct?

. A Correct.

. Q What were the arrangements for your contacting them that day?

. A I was to go to the Executive Office Building, and I had an appointment, and show up at Colonel North's office at 2 p.m., and, just to clarify, I don't recall specifically, but I may have met Colonel North in Okinawa.

. Q All right. Maybe I misunderstood. I thought you indicated you had heard of him in Okinawa, but it is possible you met him briefly?

. A Right.

. Q All right. And I take it you did appear at approximately 2 o'clock at the Executive Office Building.

. [Witness nods.]

. BY MR. FRYMAN:

. Q Did you meet with Mr. Godson before meeting with Colonel North?

. A Just briefly. We waited together for the meeting, so perhaps 15 minutes while we waited to go in to see Colonel North.

. Q And did you introduce yourself to Mr. Godson in the waiting area?

. A I did.

. Q Now when Mr. Slease informed you that he had set up this meeting with these two individuals, what did you understand was to be the purpose of this meeting?

. MR. ALBRIGHT: Do you mean what was he told or what opinion did he have? because I don't think it's proper to inquire as to his opinion.

. MR. FRYMAN: I think it is. What is improper about that?

. MR. ALBRIGHT: I don't think you're entitled to inquire as to his opinion. He is a fact witness.

. MR. FRYMAN: Well, I think his state of mind at the time he went to this meeting is a fact.

. MR. ALBRIGHT: Well, if you are asking his state of mind, that is one thing; if you are asking personal opinions, that's another. I have no problem with your inquiring about what facts he knew, what his understanding was based on if he had such an understanding.

. MR. FRYMAN: Well, I think the question was his understanding of the purpose of the meeting, which I think goes to his state of mind as to what was going to be the subject of the meeting.

. MR. ALBRIGHT: With that understanding, you can answer it.

. THE WITNESS: To inform me about the situation in

Nicaragua, a briefing, information meeting, informative meeting, an information process.

BY MR. FRYMAN:

Q All right. Did you also understand that the subject of fund-raising was going to be raised at this meeting?

A Well, that goes into another question. The fund-raising was not necessarily--I mean the meeting really was with Colonel North. Roy Godson shepherded me into the meeting. He was the one that took me in, because he was really Terry Slease's contact. Colonel North never raised the issue of fund-raising.

Q No. My question, Mr. Kirtle, is directed to your understanding prior to the meeting as to the subjects that were going to be raised at the meeting, and my question is, did you understand in advance that the question of your raising funds was a matter that was going to be discussed at this meeting that had been arranged by Mr. Slease?

A I don't recall specifically, but since I have in my book under Godson's name, ''How do I handle payments?'' I assume it must have been.

Q And that note was in your calendar prior--you made that note prior to the date of the meeting?

A Yes.

MR. FRYMAN: Off the record.

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[Discussion off the record.]

MR. FRYMAN: On the record.

THE WITNESS: I'm not sure. In thinking, it's possible that I wrote the ''How do we handle payments?'' after coming out of the meeting, in thinking, after you asked me the question.

BY MR. FRYMAN:

Q All right. Now you spoke in the waiting room with Mr. Godson for a period of time before you went in to see Colonel North.

A Correct.

Q And the duration of that session was how long?

A Fifteen minutes.

Q Fifteen minutes. What did you and Mr. Godson discuss during this preliminary meeting?

A How I knew Terry Slease, how Roy knew Terry Slease, just social things, how we got to know each other, and the fact that I had been in the Marines, and I remember specifically that he mentioned at that point that I was not to discuss anything about money in front of Colonel North.

Q Did he tell you why?

A He didn't say specifically, but he alluded to the fact that that was something that was not appropriate for him to discuss because of his role in the Government.

Q Did that surprise you?

. A It did not surprise me that a colonel in the Marine Corps couldn't be involved in raising money from individuals.

. Q Was there any discussion about what money was being raised for at this point?

. A I don't recall when the specifics came up.

. Q You don't recall if it came up before going in to see Colonel North.

. A Right.

. Q So what you specifically recall were your service in the Marine Corps, your acquaintanceship and Mr. Godson's acquaintanceship with Mr. Slease, and a directive from Mr. Godson to you not to raise the subject of raising money in front of Colonel North.

. A Correct.

. Q Any other specific subjects?

. MR. ALBRIGHT: He already told you there were social discussions.

. BY MR. FRYMAN:

. Q Well, I thought that--that related to your knowledge of Mr. Slease, I thought. Is that correct.

. A Right. As far as I remember, that's it.

. Q Okay. So then you and Mr. Godson go into Colonel North's office, and how long do you spend in his office?

. A Forty-five minutes or an hour.

Q Just the three of you?

A Yes.

Q Does he do most of the talking?

MR. ALBRIGHT: Who's ''he''?

MR. FRYMAN: Colonel North.

THE WITNESS: Yes.

BY MR. FRYMAN:

Q Does he use any visual aids?

A Yes.

Q What?

A A map of Nicaragua.

Q Anything else?

A No.

Q Any slides?

A No.

Q What subjects does he cover in this 45-minute meeting?

A First of all, we introduced ourselves, talked about common friends in the Marine Corps, and then he talked--asked me what I knew about Nicaragua, and I said I didn't know much, and he started with a thumbnail sketch of ancient history in Nicaragua, and then I believe about early on referred me to a book that I might read to bring me up to speed, and then started talking about more recent history since the revolution, and talked about how the contras were doing, what the significance of the successful--supporting the contras was, focused on the idea that it would be significant if a communist government was overthrown from within, and it was important that, you know, we did not want to use our own troops, and it was more important to us that they did it on their own; talked about, you know, that the contras were growing in size. He was enthusiastic about the contras' prospects and very friendly.

. Q You mentioned he talked about his ancient history in Nicaragua.

. A No. Ancient history in Nicaragua, meaning taking a thumbnail sketch of when the Marines first went to Nicaragua, just, you know, five minutes bringing you the last 50 years up to current history.

. Q All right. Did he say anything about weapons needs for the contras?

. A He did not.

. Q Did he discuss [redacted]?

. A He did.

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[redacted]

BY MR. FRYMAN:

Q Did he talk about any financial needs [redacted] [redacted]?

A He did not. I don't recall that he did. He just focused on the fact that they were doing their best to go on [redacted] He didn't really talk about specifically whether they needed any money.

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[redacted]

Q How in the meeting with Colonel North, did Colonel North indicate in any way the need for financial assistance to [redacted]?

A No.

MR. ALBRIGHT: Tom, could we take a short break?

MR. FRYMAN: Sure.

[Discussion off the record.]

MR. FRYMAN: How was the subject of [redacted] [redacted] raised in this meeting with Colonel North?

A There was an indication somewhere in the meeting that the contras were getting stronger and that that was providing a military pressure on the Sandinistas to react, and there was diplomatic pressure from the United States, [redacted]

Q Did he indicate that there had been difficulty with [redacted]

A He didn't talk about money, so I--no.

Q The subject didn't come up at all?

A Not that I recall.

Q Did he talk about the need to expand [redacted]

. A As I recall, all the statements that would lead one to believe that there was a need for money were left unsaid. In other words, he didn't say anything like, ''They really need help [redacted].'' He never said that; he just talked about the situation.

. Q Okay. What did Mr. Godson say in this meeting?

. A Not much. He mainly listened.

. Q How did the meeting end?

. A The meeting ended in that there was a sense that Colonel North was very busy, and he talked to Director Casey once on the phone while we were there, and I just got the sense that he was busy, and we got through the briefing, and I felt I had to do some homework as far as reading background on Nicaragua, and I felt like it was time for me to leave. So I stood up and said I would do everything I could, and he said, ''I know you will,'' and we left.

. Q Now he referred to a book in this briefing?

. A He did.

. Q And what was that book?

. A Entitled ''Revolution In The Family'' by Shirley Christian.

. Q Did he suggest you get a copy of the book?

. A He did.

. Q And did you?

. A I did.

. Q Did you read it?

. A I did.

. Q So at some point in the meeting you got the sense that Colonel North was busy, and the meeting came to a close, and you and Mr. Godson walked out of the White House complex.

. A Right.

. Q Is that correct?

. A Correct.

. Q What did you and Mr. Godson discuss after the meeting?

. A Raising money. Basically, that if I knew anyone who wanted to give money, that I should call Roy Godson.

. Q What did Mr. Godson say specifically about the need for money?

. A The only thing--I do remember that he specifically said that he was not--that we were not raising money for arms.

. Q Did you ask about that?

. A I did.

. Q Why did you ask about that?

. A Because I was uneasy about raising money for arms.

. Q Why did you think that was a possibility?

. A Because it had been in the press, in the paper. The original statement--the original article that led me to

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talk to Terry Slease was about General Singlaub raising money for arms.

. Q So he said this was not to be for arms.

. A Right.

. Q Did he tell you other people were doing that?

. A He implied--I don't remember if he told. He implied--I think he said, ''That's not what this is for,'' and I said, ''You mean like General Singlaub's doing that?'' and he said, ''I think so,'' or, ''Yes,'' or implied that he agreed with that statement.

. Q Anybody other than General Singlaub?

. A I didn't go into it.

. Q Was Carl Channell mentioned?

. A Not at all. I never heard the guy's name before this.

. Q So he said this would not be for arms.

. A Correct.

. Q Apart from excluding arms as an object of the fund-raising, did he affirmatively indicate that anything was to be the object of the fund-raising?

. A He indicated that the money would be given to [redacted] [redacted]

. Q For what purpose?

. A [redacted] In other words, that would be left up to the people in charge [redacted].

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. Q Did he tell you Colonel North had asked him to raise money for [redacted]?

. A He never said that.

. Q Who did he say had asked him to raise money for [redacted] [redacted]?

. A I don't remember that--I mean that doesn't--I didn't ask him, ''Who asked you to raise money?'' He said that one of the ways--I said, ''Well, how can I help?'' and he said, ''Well, specifically, we need money for [redacted] and that sounded good to me, because I didn't want to buy rifles. I didn't want to spend money--raise money to buy weapons.

. Q Did he specify any amount that he would like you to raise?

. A I don't have 100 percent recollection of that. I believe he did, but I can't remember how much it was.

. Q A six-figure number?

. A I would say--six-figure?

. Q Over $100,000?

. A Yes.

. Q Over a million?

. A No.

. Q Did he tell you what to do with the money that you raised at this time?

. A No. He said specifically--I don't remember when he said it, but basically what happened was, if I found someone who was interested, I had that person call Roy Godson. So I didn't do anything with the money. I never saw any money. I don't know that any money was raised.

. Q And after the session, you go back to Philadelphia?

. A Correct.

. Q What do you do with respect to following up on this meeting?

. A I read ''Revolution In The Family,'' and I start talking to people when the occasion arises about Nicaragua, and if they express interest in it, I say, ''If you'd like to learn more, I can introduce you to some people who know more about it than I do.''

. Q How many people do you talk to?

. A Total? I would say I talked to ten people total.

. Q Did any of them express an interest in learning more?

. A Two.

. Q Who were they?

. MR. ALBRIGHT: Of the record.

. [Discussion off the record.]

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MR. FRYMAN: On the record.

THE WITNESS: If these two people were clients of mine, I would be less likely to give their names, and I say that only because I'm trying to separate this from the firm. They are not clients of the firm, they are just acquaintances of mine, and I always emphasized in any discussion that this had nothing to do with my role at Goldman, Sachs.

BY MR. FRYMAN:

Q Well, you can state that for the record, Mr. Hirtle, but I do not accept, if you are suggesting that it is your view, that if they were clients, that would give you a basis for not identifying them. As far as I'm concerned, you would have to identify them whether they were or were not clients, but if you want to state that for the record, fine.

A Well, I would like to state for the record that at some future date, if this point rises, and my attorney has advised me that I really have no case--

MR. ALBRIGHT: Don't get into that.

I think he can answer the question on the two.

THE WITNESS: I wanted to talk about something for a minute. Can you turn that off?

MR. ALBRIGHT: Off the record.

[Discussion off the record.]

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THE WITNESS: Don Meads, M-E-A-D-S; James Macaleer.

BY MR. FRYMAN:

Q How do you spell ''Macaleer''?

A M-A-C-A-L-E-E-R--E-E-R.

MR. OLIVER: Could we go off the record for just a minute, Tom?

MR. FRYMAN: Sure.

[Discussion off the record.]

MR. OLIVER: Back on the record.

BY MR. FRYMAN:

Q How do you know Don Meads?

A I have met him socially in Philadelphia. He's a fairly well known senior executive in Philadelphia.

Q By what company is he employed?

A He is--he used to be the chairman of Certainteed Corporation, and he is now--has his own company called Philadelphia First, and he was a former chairman of the World Affairs Council and president--whatever it is called--and he is on the board of several corporations.

Q Do you know where he resides?

A I do not. Philadelphia.

Q But he resides in the Philadelphia area?

A Yes.

Q And how do you know Mr. Macaleer?

A He is also a prominent businessman in the

Philadelphia area.

. Q Is he a social friend of yours?

. A Yes.

. Q As is Mr. Meads?

. A Yes.

. Q And by what organization is Mr. Macaleer employed?

. A Shared Medical Systems. SMS I guess their formal name is now, Incorporated.

. Q ''Sheraton'' is the first word?

. A Shared--S-H-A-R-E-D--Medical Systems.

. Q And does he also reside in the Philadelphia area?

. A He does.

. Q Now these two individuals, after you spoke with them, indicated an interest in learning more about Nicaragua?

. A Yes.

. Q And did you also indicate to them that you were speaking with an objective of raising money [redacted]?

. A Yes.

. Q And they expressed an interest in contributing money, or possibly contributing money, to [redacted]?

. A I don't recall that at that point they said anything about whether they would or wouldn't, but they just said they were interested in hearing more about it.

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. Q Hearing more. So after they indicated this interest, what did you do?

. A I got them a copy of ''Revolution In The Family'' and scheduled a meeting for them with Colonel North.

. Q How did you do that?

. A I called Roy Godson.

. Q And you explained to him you had two potential contributors?

. A I said I didn't know if they were contributors or if they would just lead to someone else who was a contributor, but I felt that they were prominent people and worth while talking to.

. Q Okay. And what did he say?

. A He said, ''Fine. Let's set up a meeting.''

. Q And he called you back?

. A Yes.

. Q With a date and a time?

. A I believe at some point I started talking directly to Colonel North's office to coordinate the meeting. So at some point Roy got out of the loop.

. Q Did you talk to Fawn Hall?

. A Yes.

. Q And did you set up a meeting?

. A I did.

. Q And where was the meeting?

. A In Philadelphia.

. Q The meeting occurred, I take it?

. A Yes.

. Q And it occurred in Philadelphia?

. A Yes.

. Q And do you recall the date?

. A I do not.

. Q Is that marked in your calendar?

. A It is not.

. Q Do you know why it's not marked in your calendar?

. A I'm not that thorough. It's not in there. I looked at it.

. Q To the best of your recollection, when did it occur?

. A I would think it occurred within two months after my August meeting.

. Q Some time in the fall of 1985?

. A Correct.

. Q Where was it?

. A The Racquet Club in Philadelphia.

. Q Is that a squash club?

. A Yes.

. Q Do you play squash?

. A No. It's also got court tennis.

. Q Do you play court tennis?

A No. But it's unique that it has court tennis.

MR. FRYMAN: Off the record.

[Discussion off the record.]

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q So a meeting occurred in Philadelphia at the Racquet Club in the fall of 1985 with you, Colonel North, Mr. Macaleer, and Mr. Meads.

A Correct, although Mr. Meads and Mr. Macaleer were not there at the same time.

Q These were separate meetings?

A Yes.

Q Was Mr. Miller present?

A He was.

Q For the sessions with both of these individuals?

A Yes.

Q Anyone else?

A No.

Q Why was Mr. Miller present?

A He was interested to hear the--he was really there to hear the briefing that Colonel North was going to give these people, that I had heard, that he had not heard.

Q Was he assisting you in identifying prospective contributors?

A Not really.

. Q Do you know if Mr. Miller knew Mr. Godson at this point?

. A He did not know Mr. Godson at this point, nor did he know very well Mr. Macaleer or Mr. Meads. Those were my acquaintances, although I met Terry Slease through Scott Miller.

. Q How long did these separate meetings last with Mr. Meads and Mr. Macaleer?

. A Forty-five minutes to an hour.

. Q For each one?

. A Yes, although what happened was, Mr. Macaleer was late, so the second meeting was shorter.

. Q Did Colonel North do most of the talking?

. A Yes.

. Q Was his presentation similar to his presentation to you in Washington?

. A Yes.

. Q Did he cover anything else that he didn't cover in Washington?

. A There had been some more Soviet arms build-ups since I talked to him, and he detailed that.

. Q Did he ask for a contribution?

. A He did not, not when I was present anyway.

. Q Were you present during all of his meeting with these two individuals?

. A Not when--Mr. Macaleer drove Colonel North to the railroad station, so there was a point in time when I was not there.

. Q Did you have discussions with Mr. Meads and Mr. Macaleer after their meeting with Colonel North?

. A Not immediately afterwards.

. Q Within a few days?

. A I believe I did.

. Q Did you ask them to donate money to [redacted]?

. A I did not.

. Q What did you say to them?

. A I said, ''How did you like Colonel North?'' ''How did you like the meeting?''--things like that. They said they liked it and they wanted to think more about the situation.

. Q What did you understand they meant when they wanted to think more about the situation?

. A Well, I don't think either one of them had read the book yet, for one thing, and I think they had just been too busy, and this was sort of going to get them moving on making a decision whether they wanted to be donors or not, and I think, on Mr. Meads part, I think he was thinking of other people that we could introduce people. I don't know that he ever did introduce anyone, but I think that's one of the things he was thinking, and perhaps having a follow-up presentation by Colonel North.

. Q Okay. Did they get back to you about the subject of a contribution, or did either of them?

. A Neither one of them got back to me on the subject of a contribution. At some point, I told them about Roy Godson. Now I'm not sure how--when or how I got that across.

. Q What did you tell them about Godson?

. A I remember specifically mimicking sort of what Godson had told me about not mentioning money in front of Colonel North, so that I told them that, that if there was any money to be given or raised, that it would go to Roy Godson and that we shouldn't mention it to Colonel North. So I know I mentioned it probably before the meeting, and that's it.

. Q Just so I'm clear, Mr. Hirtle, after the meeting with these two individuals and Colonel North, you then had a discussion with each of them where they said they wanted to think more about the discussion. Is that correct?

. A Yes.

. Q Now what further conversation did you have with either of them about this subject?

. A It's hard for me to recall specific discussions, but I remember that I sort of kept them posted in the sense that if there was an article in the paper that I saw about

Nicaragua, I'd send it to them; I'd cut it out of the Wall Street Journal and send it to them--something like that--to try and keep them up to date. It wasn't an ongoing project. I was very busy, and, you know, it would go a month at a time I wouldn't do anything, and then something would happen, and I might give them a call and say, ''I've found this out,'' or whatever, and so that it's hard for me to give you, you know, exactly what happened. I don't remember, is the bottom line.

. Q Well, did you make any inquiries as to whether either of them was going to make a contribution?

. A I did not.

. Q Did--I'm sorry. Go ahead.

. A I just--that part--I mean I did not ask them if they were going to make a contribution only because it just didn't seem comfortable to do that. I didn't feel comfortable doing it. It seemed to me that, since I'd given them Godson's name and that they had heard just what I heard, you know, it wasn't necessary. I mean I didn't, so I really do not remember asking either one of them for money, although I think that they--I must have said early on that I was raising money, helping raise money, or, you know, I was involved in that somehow, because I know that they knew that the point of the meetings was to give a briefing so that they would be more comfortable, so that if they were going to give money, they would know what they were giving money for. I mean it wasn't like there was no awareness that there was an issue to raise money.

. Q Did you ever obtain any information about whether either of them made a contribution?

. A I don't recall specifically, but I do seem to remember Roy Godson telling me that he got a check.

. Q From whom?

. A He did not say.

. Q From one of those two individuals?

. A That was what he implied.

. Q He didn't identify which one?

. A He did not.

. Q And you have no other information as to which one made the contribution?

. A I do not.

. Q Did Godson mention an amount?

. A The problem with that is that I deal in a business where I'm throwing numbers around all day, and I don't really remember. I cannot say for sure that he did.

. Q Have you ever indicated to anyone that the amount was $60,000?

. A I believe I told you on the phone that that's a number that stuck in my head but that I didn't know for sure if it was true.

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Q Why does that number stick in your head?

A I don't know. It's just a number that, when I think about this, just sort of pops up.

Q And you have never had any conversation at all with either Mr. Meads or Mr. Macaleer as to whether they made any contribution following this meeting that you arranged with Colonel North?

A I didn't say that. I just don't know for sure. I never saw a check. I don't know. I never saw any money change hands.

Q Well, that's not my question. Do you want the question read back?

A Yes.

[Whereupon, the reporter read the record, as directed.]

THE WITNESS: My problem with that question is, I don't know whether either of them--I don't know for sure whether anybody gave any money. Therefore, it would be an impression on my part, and if I don't know for sure, it seems like I'm dealing in an impression, which doesn't seem to be fair to the people involved. I mean if you want an--it seems to me that if you want to know, you should ask them, not me, or Mr. Godson.

BY MR. FRYMAN:

Q Well, again, Mr. Hirtle, I don't think that's

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responsive to the question, and we can have the reporter read the question again, if you would like.

MR. ALBRIGHT: Well, he is saying he doesn't recall, I think is his answer.

MR. FRYMAN: Well, that's not what he's saying. Let's have the question read once again.

[Whereupon, the reporter read the record, as directed.]

THE WITNESS: I don't recall having any conversation with either of them, but I'm not sure; I may have.

BY MR. FRYMAN:

Q Do you recall telling Mr. Davis of the House Committee staff that in response to your efforts two or three people donated approximately $200,000?

MR. ALBRIGHT: Is there something where this witness made a statement to Mr. Davis that's recorded? because I think the witness is entitled to see the statement.

MR. FRYMAN: Well, I think it's an appropriate question to put to the witness, and he can either answer whether he recalls telling Mr. Davis that or doesn't.

MR. ALBRIGHT: But the question is this: Do you have a statement of this witness given to Mr. Davis upon which you base that question? If so, I think he's entitled to see it.

MR. FRYMAN: Well, I don't agree with that.

MR. ALBRIGHT: I'm asking for fairness to the witness. If this is an attempt to refresh his recollection, perhaps that will, in fact, refresh his recollection.

MR. FRYMAN: Well, until he answers the question, there's no real reason to believe that his recollection needs refreshing.

MR. ALBRIGHT: Well, you have apparently a statement, or at least you claim to have a statement, or it seems that the implication is clear that you have a statement, of this witness. If you do, I think he's entitled to see it.

THE WITNESS: Yes.

BY MR. FRYMAN:

Q What was the basis for that statement to Mr. Davis?

A I got that impression from talking to Terry Slease.

MR. ALBRIGHT: Now do you want to show him the statement?

MR. FRYMAN: I don't think there's any need to now. He's confirmed that he said that to Mr. Davis.

MR. ALBRIGHT: So you're going to withhold a statement made by this witness to your investigator. Is that what I understand?

MR. FRYMAN: That's correct.

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MR. ALBRIGHT: That will go a long way toward establishing the tenor of the interrogation.

MR. FRYMAN: Well, you can draw whatever conclusion you want.

BY MR. FRYMAN:

Q How was this Mr. Slease's statement to you that contributors that you had contacted contributed that amount of money?

A No. It was a total amount that Terry's and ours, total, had given.

Q All right.

A And I get the impression that his part gave a lot more than our part, but I don't know--the thing is that, since this is a while ago, I have impressions that involve saying things about people that I don't know to be true.

Q Right.

A And I'm very--and it's one thing to tell Bill Davis on the phone, and it's another thing to say--to mention somebody's name with a number on the record.

Q All right. Well, I'm trying to be very specific about what you recall that people said to you, and understood that my questions are designed to elicit your specific recollection about things that were told to you.

MR. ALBRIGHT: And not impressions.

MR. FRYMAN: Yes--and not impressions.

THE WITNESS: My problem is that my impressions over time become clouded with the facts. If you have an impression for a year and a half, it's hard to remember whether it actually--you heard that or if you've just been under that assumption for so long it sounds like the truth.

MR. FRYMAN: All right.

MR. ALBRIGHT: Well, Counsel, let's not argue with the witness and get on.

Just answer his questions.

MR. FRYMAN: Well, again, I don't accept your characterization that I was arguing with the witness, but in any case, I would like to move on.

BY MR. FRYMAN:

Q After this meeting that you arranged with these two individuals, what else did you do as a follow-up to the request by Mr. Godson for your assistance in raising funds?

A Nothing.

Q That was the last step you took?

[Witness nods.]

Q Did you give any money yourself?

A I did not.

Q Do you know if Mr. Miller gave any money?

A I do not know.

Q Did he tell you if he did?

A I have the strong impression that he did not.

. Q Now we have discussed in passing Father Dowling. Have you ever met Father Dowling?

. A I have.

. Q How did you happen to meet him?

. A He came to Philadelphia to introduce himself to me.

. Q When was that?

. A I don't remember for sure. It seems that it was in spring of '86.

. Q That was after your meeting with Colonel North?

. A Yes.

. Q Do you know if Colonel North suggested that Father Dowling contact you?

. A I believe he did.

. Q What is your basis for that belief?

. A I called Colonel North, I think, and asked him if there was anything I could be doing to help, and he said there was this fellow Tom Dowling who is interested in arranging a public speaking campaign, ''Maybe you can help him''--you know, ''I'll have him give you a ring,'' or, ''You give him a ring.'' I don't remember if I called him first or he called me.

. Q Since your meeting in Colonel North's office that you described, how many conversations have you had with Colonel North?

. A Two, I believe.

. Q One is the one you just described.

. A Right.

. Q What was the other one?

. A I think it was just a social call, just to check in and see how things were going.

. Q And when was that other one?

. A I think it must have been--I don't know. I mean I would guess--it's quite a while ago. I mean I haven't talked to him since the investigation began. I think it might have been no later than the summer of '86, perhaps earlier than that.

. Q Have you met with him on other than the one occasion that you described?

. A In Executive Office Building, one, and Philadelphia, two.

. Q All right. Other than those occasions?

. A No.

. Q That's the only meetings?

. A Right.

. Q Now you called him once and you asked him what else you could do, and he mentioned Father Dowling and that Father Dowling was trying to arrange a speaking tour?

. A Right.

. Q And after that, Father Dowling contacted you?

. A Correct--or I contacted him; I'm not sure which.

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. Q And at some point you received the brochure or memorandum from Father Dowling that you've described today?

. A Yes.

. Q Did Father Dowling mail that to you or how did--

. A He did.

. Q And how many times have you met with Father Dowling?

. A Once.

. Q That was in Philadelphia?

. A Yes.

. Q And what occurred at that meeting?

. A We had dinner, talked about what he was trying to do, and who he was, introduction, just talked about what he was trying to do.

. Q And what was he trying to do?

. A Arrange a speaking tour.

. Q Who was the speaker to be?

. A Himself [redacted]

. A Yes.

. Q What sort of organizations?

. A The Rotary, World Affairs Council, and basically anybody who would listen.

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. Q And were you successful in arranging any such--

. A We were--really, it was not successful. We were in the middle of doing--arranging some of this when the investigation began.

. Q Did you make any contribution to Father Dowling?

. A I did not.

. Q Did you seek any contributions for him?

. A I did not.

. Q Now we have mentioned from time to time Mr. Miller, and I believe you indicated that at the time you first met with Mr. Godson it's your understanding that Mr. Miller did not know Mr. Godson. Is that correct?

. A That's my understanding.

. Q Now is it your understanding that at some point Mr. Miller met Mr. Godson?

. A It is.

. Q How was that arranged, if you know?

. A I do not recall.

. Q Do you know when that occurred?

. A I do not.

. Q Do you know if Mr. Miller has had meetings with Mr. Godson in Europe?

. A Yes, I do know that.

. Q Did Mr. Miller tell you about those meetings?

. A He--I mean I was aware of them through Mr. Miller.

He didn't tell me. I didn't get in a big discussion about it.

. Q Right, but the source of your information, such as it is, about those meetings is Mr. Miller.

. A Yes.

. Q Did you ever discuss them with Mr. Godson?

. A No.

. Q Terry Slease?

. A No.

. Q Anyone else?

. A No.

. Q What did Mr. Miller tell you about these meetings?

. A Just that they occurred.

. Q Did he tell you that they were related to fund-raising?

. A He did not.

. Q Did he tell you the purpose of the meetings with Mr. Godson in Europe?

. A He did.

. Q What was that?

. A They were to organize a seminar about Soviet disinformation, as far as I know.

. Q Did Mr. Miller tell you that he had arranged introductions for Mr. Godson for friends of his in Europe?

. A I know that the people who came to the meeting were acquaintances of Scott Miller's and--I mean he didn't tell me that, but I mean I assume that that's a logical conclusion.

. Q But you have no information that Mr. Miller's association with Mr. Godson was related in any way to fund-raising?

. A I do not have any information on that--about that, and I--I don't think this is--the one is any way related to the other, as far as I know, meaning that the European meeting has nothing to do with my association with Colonel North or Mr. Godson.

. Q I don't want to seek your impression now.

. Going back to the subject of documents, do you have any additional documents that relate to Mr. Godson?

. A I do not.

. MR. FRYMAN: I have no further questions.

. Mr. Oliver.

. BY MR. OLIVER:

. Q Mr. Hirtle, I'm going to try to follow up on a few of the things that occurred to me as we went through this. How many contacts have you had with Roy Godson since you first met him?

. A A half-dozen.

. Q Other than the two meetings with Colonel North--there was one meeting with Colonel North--did you ever have any other contacts with him face to face?

. A With Colonel North?

. Q No, with Roy Godson.

. A The only meeting I ever had, as I recall, face to face with Roy Godson was the first meeting with Colonel North at the Executive Office Building.

. Q When Terry Slease mentioned Roy Godson to you, how did he describe him? What did he say he did--why he was involved in this?

. A That he was a--worked at Georgetown and the National Center for Strategic Studies and was a conservative intellectual type of person and was involved in and understood what was going on in Nicaragua or was involved in this project.

. Q What did he say about his connection with the National Security Council and Colonel North?

. A I don't recall that he said anything about that.

. Q What did Roy Godson tell you about his connection with the National Security Council and Colonel North?

. A I believed he explained it as that there was--that he worked with them on certain projects.

. Q Did you meet Roy Godson at the White House, or did you go to the White House together?

. A I went--at the Executive Office Building? You consider that part of the White House?

. Q Yes.

. A I met him there.

. Q You said that you were in the meeting with Colonel North that Bill Casey called. Is that correct?

. [Witness nods.]

. Q Did his secretary buzz in and tell him that Bill Casey was on the phone, or did she walk in, or did the phone just ring on his desk and it was Bill Casey?

. A I don't really remember how that happened.

. Q How do you know it was Bill Casey?

. A He said--called him Mr. Director or something--referred to him in some way that led me to believe it was Mr. Casey, and then when he got off, I think he said it was Mr. Casey, but it wasn't then, it was like--you know, it was a conversation that didn't have anything--it was ''pick up my cleaning'' or something; it was--you know, it was a short conversation about something that didn't seem to have anything to do with what we were talking about, a social conversation.

. Q What do you mean by ''social conversation''? What did he say?

. A I don't remember. All I remember is having the impression that it was a social conversation. It didn't seem to have any substance. When he was talking, he was smiling, kind of laughing when he was talking.

. Q Was there just one call or two?

A Just one.

Q When you arranged this meeting for Colonel North with--these meetings with Mr. Meads and Mr. Macaleer, did you tell Roy Godson that these people were potential donors?

A I believe I did.

Q Did you tell them before the meeting that they had been described as potential donors to Roy Godson or Colonel North?

A I don't believe I told them that they had been described to anyone as a potential donor.

Q But they knew that one of the purposes of the meeting was to encourage them to give money to the project?

MR. ALBRIGHT: Well, how can he testify as to what somebody else knew, Mr. Oliver? I mean he can testify as to what they told him and what he told them, but he doesn't know what the mental processes are of another individual unless they express it. I don't have any problem with you asking what they expressed, if anything.

MR. OLIVER: Counsel, he testified, I believe, earlier that after the meeting, he said they wanted to think about becoming donors. I want to know when they learned that they were potential donors.

THE WITNESS: I believe that when I talked to them originally I mentioned the idea of raising money. I do not believe that the meeting with Colonel North--in other words, the meeting with Colonel North was specifically a briefing about Nicaragua such as it's like a proof source. I was interested in having them and raising money for Nicaragua, and I needed a reference. Colonel North was the reference. The meeting with Colonel North in that regard didn't have anything to do--Colonel North was not involved in the raising of the money. In other words, Colonel North was the briefing. I was the one that they talked to if they were going to raise any money.

. BY MR. OLIVER:

. Q So did you talk to them about raising money after Colonel North had briefed them?

. A I believe I did. I said, you know, ''If you need to raise money''--and I said it before they went in--''this fellow is a proof source. If you want to give money or if you know someone who wants to give money, there's another guy you talk to, Roy Godson, and I will get you his name and number if you want it,'' or ''when you want it'' or whatever; I don't remember what I said then.

. Q Did you instruct each one of them not to mention the subject of raising money during their meeting with Colonel North?

. A I did.

. Q You instructed each one of them separately?

. A Yes.

. Q On the phone before the meeting or when they arrived at the Racquet Club?

. A I don't recall.

. Q Did they ask you why you were cautioning them not to do that?

. A I don't think they did.

. Q Did you tell them why you were--they shouldn't mention money?

. A I don't recall other than--I don't recall.

. Q You said that Scott Miller worked with you at your place of employment. Does he still work there?

. A He does.

. Q In Philadelphia?

. A No; New York.

. Q So he moved from the Philadelphia office to the New York office?

. A He did.

. Q When did that occur?

. A I believe it was August of '86.

. Q August of '86. Were you aware of a trip that Mr. Miller took to Europe in December of 1985?

. A I was.

. Q What was the purpose of that trip?

. A I think it was a combined purpose of business and just setting up this meeting with Roy Godson and this Soviet disinformation seminar, introducing Roy to Scott's acquaintances in Europe.

Q Had Scott had some interest in Soviet disinformation prior to that, that you know of?

A No. I mean I think he had read Godson's book.

Q Did he tell you that he was going to Europe or that he was going to meet Roy Godson in Europe?

A Yes.

Q Did he tell you that there was any other purpose, other than this Soviet disinformation seminar?

A He did not.

Q When did he tell you this Soviet disinformation seminar was going to take place?

A I don't recall specifically. I mean it was some point after this meeting. This was to set up the seminar.

Q Did he tell you that he had gone to a dinner at the residence of Ambassador Whittlesey when he was in Switzerland in December of 1985?

In Report? →

A I don't recall.

Q Did he ever tell you that he had been to dinner at Ambassador Whittlesey's house?

A I don't recall.

Q You were sitting right next to each other in your office, and he had met Godson sort of about the same time you did and gone to Europe with him, and he never indicated to you what had gone on there?

. A Not in detail. You know, the ambassador is from our area, and he know--he somehow met her. I know that he is acquainted with her, but I don't know where it happened.

. Q Do you know whether Mr. Miller ever met Colonel North again after that meeting at the Racquet Club?

. A I don't know. I don't think so.

. Q He never mentioned to you that he had met Colonel North?

. [Witness shakes head.]

. Q Did he ever mention to you that he had talked to Colonel North after that?

. A I don't believe so. He never mentioned to me.

. Q Did he ever mention to you that he had given Roy Godson the names of any people who might wish to contribute to the cause in Nicaragua?

. A I do not believe he did. I don't believe he ever--I do not recall him mentioning that to me, and I don't believe he gave me names.

. Q To your knowledge, did he have anything to do with fund-raising for Nicaragua?

. A Not to my knowledge. Not specifically, other than I think he helped me--you know, he arranged the room at the Racquet Club that night because I wasn't a member.

. Q Did you talk to Terry Slease after that meeting that night? Did you talk to him in the next day or so?

. A I probably did. I don't recall.

. Q Did he call you, or did you call him?

. A I don't recall specifically talking to him. I just think that it's logical that I might have, and I therefore don't recall whether I called him or he called me.

. Q Did you ever meet any other officials of the U.S. Government, other than Colonel North, in relation to these activities or these projects that we have discussed today?

. A I did not.

. Q No one else on the White House staff?

. A No one.

. Q Did you ever meet any other individuals who were introduced to you or referred to you by Roy Godson or Colonel North, other than Tom Dowling?

. A No one.

. Q But it is your testimony that you talked to Colonel North in the summer of 1986 again?

. A At the latest, it was the summer of '86. It may have been the spring of '86.

. Q Did you withdraw from this sort of effort to be of assistance after the meeting in November in Philadelphia?

. A No. I just didn't have any--I didn't have any ideas of who else to go to, and I was very busy, and just one thing led to another, and the next thing you know it was fall of '86, and I called and asked what I could do. and that's when I met Tom Dowling, or the spring of '86, whenever it was, but it--between the time of the meeting in Philadelphia and I met Tom Dowling, it was just a period of being too busy or not having anything to suggest.

. Q In addition to Father Dowling asking you to set up these speaking engagements, did he mention to you the need for money [redacted] for anything he was doing?

. A He did not.

MR. ALBRIGHT: You know, these questions have been asked and answered. I just don't think it's fair to ask the same questions three or four times.

MR. OLIVER: Well, I'm sorry to be repetitive. I may have forgotten some of them.

MR. ALBRIGHT: All right. I didn't think it was--

MR. OLIVER: I didn't take verbatim notes.

MR. ALBRIGHT: I didn't think it was intentional.

BY MR. OLIVER:

Q Other than your attorney, have you discussed your testimony here today with any of the other individuals whose names have been mentioned today?

A I have not.

Q You have not discussed this subject with Roy Godson?

A I have not talked to Roy Godson for quite a while.

Q What about Scott Miller?

A I have talked to Scott Miller in the course of business.

Q You did not discuss this meeting with Scott Miller?

A He knows I'm coming down.

Q So you did discuss the meeting with him?

A Right. I mean I didn't discuss my testimony, I just discussed that I was coming down.

Q Did he mention to you that he had been contacted by this committee?

. A He did.

. Q What did he say?

. A Just that.

. Q That he had been contacted by the committee?

. [Witness nods head.]

. Q And nothing else?

. [Witness shakes head.]

. Q Did you discuss your coming here today with Terry Slease?

. A I did.

. Q And what did you say to him?

. A Just that I was coming.

. Q What did he say to you?

. A Well, I asked him if I should get an attorney. He said he didn't think I really needed one, but if I wanted to, he would represent me since he's an attorney, and I said--and, you know, things like that. I didn't discuss any content. I told him I didn't think I had anything to hide. He said he agreed, and I said--you know.

. Q Did you ever receive any letters from Colonel North or anybody in the White House thanking you for your efforts?

. A No.

. Q Did it ever occur to you that this money for [redacted]

. A Could be given directly?

. Q To [redacted]

. A To

. Q Yes.

. A Well, I think it occurred to me that there were various sources that money could have come from but that apparently those sources weren't available or they wouldn't have asked us to help.

. Q Did they tell you those sources weren't available?

. A I think that Roy Godson told me that, whatever, that this was a specific project and that those funds were being used for other projects.

. Q Did you ever have any knowledge of where the money that was raised--where it actually went?

. A I absolute--none.

. Q When the notation was made about how do we make arrangements for the money--I'll be through in just a minute, Counsel--did Roy Godson mention any bank accounts or give any directions as to how the money should be sent or where it should be sent?

. A I don't recall that. I--I hesitate to say now because I just don't recall how we did that. My impression is that I hooked up--I introduced the people whose names we have mentioned to Roy Godson; I told them about him. I believe what happened is that if they were interested in giving money, they contacted him directly, but I don't really recall the mechanics of this, because once again, I mean, we're talking about potentially two people, so it wasn't like something that was happening over and over again, that there was a routine established. I just don't recall.

. Q Did anyone ever mention to you where money might have been sent?

. A The only thing I really remember is that there were certain charitable organizations whose names I never heard who might be able to take money. On the other hand, there was a discussion by Roy that perhaps there weren't any charitable organizations that could take this money, and therefore it would have to be a noncharitable contribution if people were going to give the money. Those were the kind of discussions I recall. I don't recall specific names.

. Q Did he mention some specific names of charitable organizations?

. A I do not remember him mentioning any specific names, and I know that the names that I have read in the paper don't mean anything to me. I don't remember hearing of them.

. Q Did he mention the Heritage Foundation?

. A Well, I--it's hard for me to remember if Godson mentioned the Heritage Foundation because I am very much aware of the Heritage Foundation, and I know the Scaife Organization is big supporters of the Heritage Foundation, so it's hard for me to separate whether Roy Godson mentioned the Heritage Foundation. I think in the discussions, when you're thinking about conservative organizations, the Heritage Foundation, you know, comes to mind, so it's hard for me to remember.

. Q So you would have remembered, you think, if he mentioned the Heritage Foundation if you were so aware of it?

. A Well, I think if he had said, ''We're going to put the money through the Heritage Foundation,'' I would have remembered, but I don't. I believe that he never said that.

. Q Do you know whether Mr. Meads or Mr. Macaleer ever received a letter of thanks of any kind from the President or from Colonel North?

. A I do not know. I don't know if--I don't know for sure if either one of them did anything, so I don't know if they got a letter.

. MR. OLIVER: I don't have any further questions.

. MR. FRYMAN: I have no further questions.

. MR. ALBRIGHT: Thank you very much.

. MR. FRYMAN: This is all off the record.

. [Discussion off the record.]

. MR. FRYMAN: On the record.

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MR. ALBRIGHT: Pursuant to 6.9 of the rules of the Select Committee, we would like to inspect the transcript of this deposition, and we would also respectfully request the chairman, in fairness, to provide a copy of the transcript to the witness through his counsel since none of the testimony in this session involves classified information.

Thank you.

MR. FRYMAN: On the record, I would refer you to Rule 7.5, which says that if a witness's testimony is transcribed--and this relates to depositions--he shall be furnished with an opportunity to review a copy. No later than five days thereafter, the staff shall enter the changes, if any, requested by the witness with a statement of the witness's reasons for the changes, and the witness shall be instructed to sign the transcript. You will be given, or the witness will be given that opportunity as provided in rule 7.5.

If you want to make a further request for a copy of the transcript, I ask you to do so in writing either in a letter to me, which I will pass on, or you can address the letter directly to the chairman with such a request.

MR. ALBRIGHT: I appreciate your observations, and I would suggest that we go by the rules as they should appropriately be interpreted, and you have our assurance of cooperation in regard to complying with the rules.

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MR. FRYMAN: Okay.

[Whereupon, at 7:25 p.m., the taking of the deposition was concluded.]

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TRANSCRIPT OF PROCEEDINGS

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HSIC 017 /87

UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

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DEPOSITION OF BRUCE HOOPER

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4103

Partially Declassified/Released on 12-28-87
under provisions of E.O. 12356
by N. Menan, National Security Council

Washington, D. C.

Thursday, April 2, 1987

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF BRUCE HOOPER

Washington, D.C.

Thursday, April 2, 1987

Deposition of BRUCE HOOPER, called for examination pursuant to notice of deposition, at the offices of the Select Committee, Room 901, Hart Senate Office Building, at 9:05 a.m., before GARY S. HOWARD, a Notary Public within and for the District of Columbia, when were present:

W. THOMAS MC GOUGH, JR., Esq.

Associate Counsel

United States Senate Select Committee on

Secret Military Assistance to Iran and

the Nicaraguan Opposition

Room 901, Senate Hart Office Building

Washington, D.C.

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LARRY EMBREY, Esq.

Senate Select Committee

WILLIAM DAVIS, Esq.

KEN BUCK, Esq.

THOMAS FRYMAN, Esq.

House Select Committee to Investigate

Covert Arms Transactions With Iran

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C-O-N-T-E-N-T-S

WITNESS	EXAMINATION
Bruce Hooper	
by Mr. McGough	4
by Mr. Fryman	63
by Mr. Buck	69

E-X-H-I-B-I-T-S

HOOPER DEPOSITION NUMBER	IDENTIFIED
EXHIBIT 1	5
EXHIBIT 2	18
EXHIBIT 3	20
EXHIBIT 4	22
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EXHIBIT 15	55

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P-R-O-C-E-E-D-I-N-G-S

Whereupon,

BRUCE HOOPER

was called as a witness and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. MC GOUGH:

Q Mr. Hooper, my name is Tom McGough. I'm associate counsel to the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. As you may know, we're here this morning pursuant to Senate Resolution 23, a copy of which will be made available to you, if you would like to take a look at it. That resolution allows the committee and its staff to subpoena witnesses and to interrogate them in depositions, and we are here for that purpose today.

You've been placed under oath, which means that your testimony is subject to the penalties provided by Title 18 of the United States Code, Chapter 79, government perjury, obviously, to tell the truth.

Are you aware that you have the right to counsel in this proceeding?

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A I am.

Q And are you electing today to appear without counsel?

A I am.

Q All right.

MR. MC GOUGH: Let us mark as Deposition Exhibit 1 a copy of the subpoena served upon you, I believe, if you take a look at it, Mr. Hooper.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 1.)

BY MR. MC GOUGH:

Q Is that, in fact, the subpoena requiring your appearance here today?

A Yes, it is.

Q And does it have certain attachments to it?

A Yes, it does.

Q And those attachments require you to bring with you certain documents.

Is that right?

A Yes.

Q All right. And you provided those documents yesterday to Mr. Davis?

A Yes.

Q That's the gentleman seated to your left. Is that right?

A Correct.

Q Are the documents you produced all the documents responsive to that subpoena, to the best of your knowledge, information and belief?

A Yes, with the exception of Item O, tax record of any kind, which I didn't have in my files anything that would be what I thought was applicable to this proceeding.

Q What do you mean by applicable?

A I don't know what tax records you were looking for.

Q All right. With that qualification, are the remainder of the requests in the subpoena fulfilled by the documents you provided to the committee?

A Yes.

Q Let me show you a stack of documents that were provided to me yesterday by Mr. Davis. For the record, I'd like for you to examine those and, to the best of your knowledge, indicate if those are in fact the documents that you produced yesterday?

A Do you want me to enumerate them?

Q Why don't I do this -- as you look at them, hand them to me and I will just identify them for the record.

A Okay.

Q I don't think they have to be marked as deposition exhibits, but I'd like a record made of their existence.

The first is a copy of two checks drawn on the Elizabeth S. Hooper Foundation, Checks No. 1175 and 1179, one dated January 28th, 1986 and the other dated May 27th, 1986.

A The second page of this is missing. That's simply a letter that I was sent.

Q We have a second page on that, I'm sure.

A Okay.

Q This is a two-page letter which we do have the second page. It's just not here -- dated February 21st, 1986, on White House stationery, addressed, "Dear Spitz."

I think this is the second page we're referring to (indicating).

A That's correct.

Q All right. I'll substitute that. The third one is a letter dated February 21, or I should say a flimsy copy of a letter not on a letterhead, dated February 21, 1986, to Jane E. McLaughlin from Eileen M. Maguire, M-a-g-u-i-r-e.

The next is a letter dated March 11, 1986, addressed to a Mr. Channell, signed by Bruce H. Hooper, with a check at the bottom drawn on the Killeshandra Foundation.

A It's a duplicate, I believe.

Q There are two of those.

A And this is simply a copy of the same check that is shown on that.

Q You can set those aside. They appear to be duplicates.

A These are additional correspondence from Channell to me (indicating).

Q All right. This would be a letter dated April 16, 1986, from Carl Russell Channell addressed, "Dear Mr. President," with the note at the top margin, "Dear Bruce, for your information, Spitz."

[redacted]

[redacted]

A I gave him that.

Q This is a letter dated May 5, 1986, on the letterhead of Bruce H. Hooper, and signed by Bruce H. Hooper, addressed to Mr. Carl Russell Channell.

This is a letter dated May 6th, 1986, on the stationery of the National Endowment for the Preservation of Liberty, signed by Jane E. McLaughlin, addressed to Mr. Bruce Hooper.

There should be a second page to that Telex.

A I think so, yes.

Q Yes, I think that's it.

A Yes.

Q All right. A Mailgram addressed to Mr. Bruce H. Hooper, Fidelity Court Building, from Spitz Channell and Jane E. McLaughlin, apparently dated June 9th, 1986.

Another Mailgram dated June 26th, 1986, to Mr. Hooper from Spitz Channell.

A statement with the handwritten note, postmarked 12/16/86, entitled, "Statement by Carl Russell Channell, president of NEPL."

Is the handwriting postmarked 12/16/86 yours?

A I believe that was done in our office. It's not my writing, but it may have been someone working in our office that noted that.

Q All right. This is May 27th, 1986, a flimsy of a letter to Miss Jane E. McLaughlin from Bruce Hooper.

Next is a printed invitation for a special reception to be held on Monday, July 21, 1986, with a handwritten note, "No, n-o, and "called regrets, 7/17/86."

Can you identify the initials on that, if you would?

A The note is mine. Mrs. Stowell called the regrets.

Q And how do you spell Mrs. Stowell for the Court Reporter?

A S-t-o-w-e-l-l.

Q All right. The next is a letter dated July 23rd, 1986, on National Security Council letterhead, addressed, "Dear Bruce," and signed "Oliver L. North."

The next is a check drawn on the account of Bruce H. Hooper, Check No. 2641 on Mellon Bank East in

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Philadelphia to the Anti-Terrorist American Committee.

This is a letter dated September 3rd, 1986, from Jane E. McLaughlin to Bruce H. Hooper, on the stationery of the National Endowment for the Preservation of Liberty. Attached to it are letters from Robert H. Michel, M-i-c-h-e-l, Trent Lott, L-o-t-t, Bruce P. Cameron, C-a-m-e-r-o-n, Richard Ray, R-a-y, and Robert L. Livingston.

Next is a letter to Mr. Carl Russell Channell, dated October 17, 1986, from Elliott Abrams on the stationery of the Assistant Secretary of State for Inter-American Affairs.

Next is a letter dated November 11, 1986 to Colonel Oliver L. North from Bruce H. Hooper.

Next is a letter on the stationery of the Free World Foundation, dated January 10, 1987, to Bruce H. Hooper from Jane E. McLaughlin.

A This is an extra copy of something to which you referred.

Q An extra copy of the statement. This is a magazine or a publication entitled "The Nicaraguan Images: A Visitor's Notebook," apparently an excerpt from a publication called "The Christian Century," four pages.

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Next is an item, a statement of Jose Thomas Altamirano, A-l-t-a-m-i-r-a-n-o, seven pages in length.

That (indicating) shouldn't be stapled on that.

A No. This letter refers to that magazine article.

Q All right. This is a letter dated May 13, 1986, referring to "The Christian Century" article on the National Endowment for the Preservation of Liberty letterhead, signed by Jane E. McLaughlin.

Finally, there is a report with a cover page that reads: "This report was produced under an unrestricted grant from the National Endowment for the Preservation of Liberty." It is 32 ages in length.

To the best of your recollection, Mr. Hooper, were there any other documents that you brought with you that we did not review?

A I had a copy of a letter of May 2nd that was signed by Oliver North. I don't know if I gave that to you or not.

Q Yes.

A Do you recall that? If not, I might have it.

Q We do have a copy of that letter, I believe, in another file.

A All right. That is the one to which I just referred.

Q All right. Let us get some personal data, if we could, from you, Mr. Hooper. Could you state your full name, please?

A Bruce Henry Hooper.

Q What is your home address?

A [redacted]

privacy

Q What is your business address?

A Room 220, Fidelity Court Building, 259 Radnor-Chester Road, Radnor, Pennsylvania 19087.

Q What is your date of birth?

A January 4, 1931.

Q Do you recall your social security number?

A [redacted]

pri.

Q Mr. Hooper, could you tell us your educational background, please?

A I went to the University of Pennsylvania during the years 1948 and 1952. I went to Marine Corps School at Quantico in March of 1953. I went to naval air training school in 1953.

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Q How long did you serve in the military?

A Approximately 4-1/2 years active duty and approximately 7 years active reserve duty.

Q What was the highest rank you achieved?

A Major, United States Marine Corps Reserve.

Q When you left active duty with the Marine Corps, how were you employed?

A I went to work in 1957 with the Interstate Oil Transport Company of Philadelphia, which was a family-owned and operated company.

Q How long did you remain with Interstate?

A I remained with Interstate until 1981 and thereafter, as a consultant to the successor company until 1983.

Q What was your final position in 1981 with Interstate?

A Vice president, sales and marketing. However, the name of the corporation had changed to IOT Corporation.

Q What was the principal line of business of IOT Corporation?

A Transportation of petroleum products by barge and tanker.

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Q Had you remained a consultant to IOT from 1981 until 1983?

A The name of the company changed in 1981 to Sonat, S-o-n-a-t, Marine, Incorporated, a division of Southern Natural Resources.

Q Were you otherwise employed -- were you employed in addition to being a consultant from 1981 to 1983, or were your consulting duties with IOT full time?

A No, they were not full time; they were part time. I had no other wage employ.

Q What occurred in 1983? Did you retire or did you accept other employment?

A My consultancy expired. It was for 18 months and it expired in 1983.

Q All right. Did you accept other employment at that time?

A Not quite at that time, not wage employment.

Q When was the next employment you accepted?

A Well, this is employment without salary, if that's suitable. I'm a director and part owner from 1985 of a company called United States Golf Management, Incorporated, which is a company that manages municipal golf courses,

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mostly in Delaware Valley.

Q All right. And that's from 1985 and that would be to the present time?

A That's correct.

Q Have you had any other business affiliations, directorships?

A Directorships, but not for profit.

Q All right. I was going to qualify that. There came a time, did there not, Mr. Hooper, when you came into contact with an organization called National Endowment for the Preservation of Liberty; also we'll call it NEPL.

A Right.

Q When was the first time you heard of NEPL?

A The first time I heard of NEPL was sometime in January of 1986.

Q From whom did you hear it?

A I heard it from Ralph Hooper, a brother.

Q Do you know how Ralph Hooper heard of NEPL?

A No, I don't know how he heard of it.

Q Can you tell me what you heard from Ralph about NEPL at that time?

A At that time, my first recollection was that it

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was an organization that we felt was going to supply aid to the Contras and to their efforts. To the best of my recollection, he told me that he was going to meet in Washington at a meeting evidently formed by NEPL with President Reagan.

Q When you had this discussion with your brother, did he indicate what kind of aid NEPL was going to provide to the Contras?

A I don't recall.

Q Did he indicate whether it was -- we're going to draw a distinction here between lethal and nonlethal aid, if I could -- and that's military hardware versus --

A Well, what I'm saying, I'm talking about January of 1986. The first indication that it was going to be aid was prior to January 28th, upon which basis we in the Elizabeth Hooper Foundation agreed to send to NEPL $30,000, which was done on January 28th.

Q That would be 1986.

A Correct.

MR. MC GOUGH: Let's mark as Deposition Exhibit 1 --

THE COURT REPORTER: Didn't we mark the subpoena

No. 1?

MR. MC GOUGH: That's right. Deposition Exhibit 2.

THE COURT REPORTER: No. 2.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 2.)

BY MR. MC GOUGH:

Q All right, a copy of the document that you referred to earlier. It includes a check drawn on the Elizabeth Hooper Foundation, dated January 28th, 1986, in the amount of $30,000.

Does that check bear your signature?

A Yes.

Q And does it bear Mr. Hooper's signature?

A Yes.

Q What is the Elizabeth S. Hooper Foundation?

A The Elizabeth S. Hooper Foundation is a 501(c)(3) organization, foundation.

Q For what purpose does it exist?

A The purposes are as broad as the mandate that's allowed under 501(c)(3). It was formed around 1967 and has given monies to a broad variety of charitable and educational institutions over the years.

Q At the time you signed this check, or up to the time you signed this check, had you seen any written literature from NEPL?

A I had not.

Q Do you know if your brother Ralph had seen any written literature?

A I believe he had.

Q Do you know what kind of written literature?

A No, sir, I have not looked at it.

Q Prior to signing that check, did you discuss with your brother Ralph the purposes to which this $30,000 donation would be put?

A Yes. It was my understanding, upon agreeing to this, that it would go for aid to the contras.

Q Let me ask if at that point, prior to signing this check for $30,000, you inquired or knew what kind of aid that would be supplied?

A It was told to me that it would be humanitarian or nonlethal aid.

Q And who told that to you?

A Ralph Hooper. It had to be he because up to this time, I had no contact with NEPL, personally.

Q Did you, yourself, make any attempt to check into the bona fides of NEPL or investigate them beyond what Ralph may have told you?

A I did not at this time.

MR. MC GOUGH: Let me have this marked as Deposition Exhibit 3, if I could.

THE COURT REPORTER: No. 3.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 3.)

BY MR. MC GOUGH:

Q I show you what has been marked as Deposition Exhibit 3, and I believe that's one of the documents that you've produced today.

A Yes.

Q That is the cover letter that went over the $30,000 check. Is that correct?

A That's correct.

Q Is that a different contribution from the January 28th contribution, or is that the cover letter that went over that check?

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A No, I assume that it is the same check because, to the best of my knowledge, that is the only $30,000 check that went to NEPL.

Q And can you explain why the cover letter is dated February 21, 1986? And I believe there's a mention of a missing check.

A The letter says, "Enclosed is the missing check for $30,000 from Ralph W. Hooper."

Q To your knowledge, was this check missing for a while or why there might have been a three- or four-week gap?

A That's the first time I paid attention to that. I don't know.

Q All right. Did there come a time when you received direct contact from a NEPL solicitor?

A My first contact with NEPL was probably in February, and it would have been -- it was a phone call from Jane McLaughlin.

Q Can you tell me what she told you in the phone call, as best you can recollect at this point?

A As best I can recollect, she appealled for more money for Contra aid., And after thinking about it for a

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while, I decided that I would come up with some more money for Contra aid.

Q Again, what kind of aid did she indicate would be provided for?

A Nonlethal, humanitarian aid to the Contras.

Q Did she specifically tell you that it would be humanitarian and nonlethal, not necessarily in those terms, but --

A I can't recall her conversation, but let's say I understood that. Whether she said that or not --

Q It was your understanding at that point that it would be nonlethal aid?

A Yes.

Q I show you a letter dated March 4, 1986.

MR. MC GOUGH: Let's mark that as an exhibit.

THE COURT REPORTEP: No. 4.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 4.)

BY MR. MC GOUGH:

Q Do you recall receiving that letter?

A I never saw this letter before today.

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Q Just for the record, this is a letter dated March 4, 1986, marked as Deposition Exhibit 4, addressed to Mr. Ralph Hooper. This would be your brother Ralph. Is that correct?

A Yes.

Q From Jane E. McLaughlin. And it bears Bates stamp no. JM000033, four zeros and two threes.

So, to the best of your knowledge, you have never seen that letter before?

A I have never seen that letter.

Q Did your brother, Ralph Hooper, mention to you anything about that letter?

A Not to my recollection.

Q Let me show you --

MR. MC GOUGH: May I have this marked as Deposition Exhibit No. 5?

THE COURT REPORTER: No. 5.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 5.)

BY MR. MC GOUGH:

Q This is the cover letter dated March 11, 1986, and

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the check for $15,000, which I believe you produced.

Is that right?

A Yes. I also point out that here is the back of that check and that should not be on your other documents.

Q That's right.

A This is my letter (indicating).

Q And that is the check drawn on the Killeshandra Foundation in the amount of $15,000.

Is that right?

A Right.

Q What is the Killeshandra Foundation?

A The Killeshandra is a family foundation whose trustees are myself, my wife, Eileen S. Hooper, E-i-l-e-e-n.

Q And what is it --

A And two others, if you want to know.

Q I'm sorry. Sure.

A Daughter, Cynthia Belle; son, Thornton Hooper, T-h-o-r-n-t-o-n.

Q How long has it been in existence?

A This foundation has been in existence from about 1982, but it had a name change approximately two years later, from Bruce H. and Eileen S. Hooper Foundation to Killeshandra Foundation. The reason for that was the monicker of our names was just too inconvenient and the name Killeshandra struck me because it is the town nearby to which my mother was born.

Q All right. Now what are the purposes of the Killeshandra Foundation?

A This foundation is a 501(c)(3) and has a broad mandate thereunder. But these monies go to various local charities and educational institutions, not necessarily in Delaware Valley.

Q To the best of your recollection, what was your next contact with or from NEPL?

A My next contact, the date of which I don't recall, it was a telephone conversation, was between me and Jane McLaughlin.

Q Let me back up for one moment. What was your understanding of the urposes to which this $15,000 donation was going to be made?

A My understanding is it was going to Contra aid, but I can't quote conversations verbatim that I had.

Q Now, up to the point of this contribution, had you received any written materials, you personally received any written materials from NEPL?

A No, because if I had, I'd have them with me, and I have nothing other than what I brought you.

Q Had you dealt with anyone at NEPL other than Jane McLaughlin?

A No.

Q Had you conducted any independent investigation of NEPL?

A No.

Q You said that the $15,000 contribution was to go to Contra aid. Again, what was your understanding or perhaps, if it was a different understanding, what was your understanding of the type of aid that would be provided?

A My understanding at that time, it would be supplies to the Contras that were not armanents, military hardware, ammunition, to put it in a negative sense.

Q All right. Now let's bounce up ahead again. We're talking about a telephone conversation that you had.

Is that correct?

A Yes. I can't recall the date, but I may have had a couple of conversations, more with her because she called

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frequently. And as a result of a conversation that I had with her, a meeting was arranged wherein I would come to Washington and meet with Colonel North in his office.

Q To the best of your recollection, did you receive any written communications or material on NEPL prior to the meeting with Col. North?

A I have no record and no recall of any other.

MR. MC GOUGH: Let me have this marked as whatever the next deposition exhibit is.

THE COURT REPORTER: Six.

MR. MC GOUGH: Six.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 6.)

BY MR. MC GOUGH:

Q Mr. Hooper, I show you Deposition Exhibit 6, which, for the record, is a letter dated April 3, 1986, on the stationery of the National Endowment for the Preservation of Liberty, addressed to you from Jane E. McLaughlin, bearing Bates stamp no. JM000026.

I'd ask you to read that letter, if you would.

A I have seen this letter, but I did not have it in

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my files. But I do recall this letter.

Q All right. You do recall that letter, but you did not produce it today.

Is that correct?

A No, I did not because I didn't have it.

Q All right. Can we agree that this letter predated your meeting with Col. North?

A Yes.

Q Now let's focus our attention, if we could, on the second paragraph of that letter, where Ms. McLaughlin writes: "Not simply humanitarian aid, but more importantly, the effective military aid needed if the Freedom Fighters are to continue successfully resisting attacks by Soviet-supplied Mi-24/HIND D gunships."

Do you recall reading that paragraph?

A Yes.

Q And did that revise your opinion as to the type of aid that was being provided by the National Endowment for the Preservation of Liberty at all?

A No, I referred to that paragraph, I would now, to the President's crucial campaign to achieve aid for Freedom Fighters.

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Q So that was the President's campaign and not what you were contributing to?

A I think at that time there was a campaign to get Contra aid passed in Congress and I recall it was to include military aid.

Q All right. Let's go to the meeting on April 30th -- I believe it was on or about April 30th, 1986.

A On or about.

Q On or about, all right, with Col. North. Where did that meeting take place?

A That meeting took place in his office.

Q How did you get to his office?

A I came from Wilmington, Delaware to Washington on the train. Jane McLaughlin met me. To the best of my recollection, we went right to his office. I'm not sure of the hour that we met, but I think it was in the morning.

Q Up to that point, had you ever met Jane McLaughlin before?

A I had not.

Q Where was Col. North's office located?

A It's in the Old Executive Office Building.

Q Can you tell me what occurred at that meeting?

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A Jane McLaughlin and I went into the building and went up to the outer office of Col. North and sat and waited until he was ready to see us. And after a short delay, she and I went into his office, where we had some greeting.

Q Was Col. North in uniform at that time?

A I do not believe he was in uniform.

Q Going into that meeting, what did you understand the purpose of it to be?

A The purpose of the meeting? For my purposes?

Q Yes, what was the purpose of the meeting?

A My purposes were twofold. One, I wanted a briefing from Col. North. I wanted to meet him. I had heard about him and I wanted to meet him and get a briefing on the situation in Central America, especially the Sandinista-Contra conflict. That was my one purpose.

The second purpose, and this had to do with meeting in his office, was to give me a sense that the monies that we were giving to NEPL were going to go for Contra aid.

Q You say that you had heard of Col. North going into that meeting. From whom, other than Ms. McLaughlin,

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had you heard?

A Well, a day or two before that meeting, I heard his name spoken over television and I had heard his name, of course, prior to this, since I was coming down to meet him. His name was on television, along with two other gentlemen who were alleged targets of a possible assassination attempt. And that was just a day or two before I came down to Washington, which news I mentioned to him and told him that I had heard his name mentioned on national TV. It may have been the night before. And he asked me, was my picture on television? And I said, no, not on the program I saw. He said, that's good. I have four children. And he was happy that his picture was not on television.

Q What occurred at the meeting itself? Can you tell me, as best you can recollect, what occurred?

A Okay. He described to me the personalities of what I think are called the commandantes. I believe there are nine members of their ruling party, their backgrounds, education, family, how they got to their positions in their party.

He showed me a map that was on his wall. It was a fairly big map of Nicaragua, Honduras, maybe the rest of Central America, where I believe he told me some fighting had been taking place. And as I recall, it's called the "Parrot Beak" now. I recall that area.

He told me also that he travelled often to Central America. He then told me about the Contras. This much I recall. He said there was a force of about [redacted] And I remember that because the newspapers at that time were talking about its being about 12,000. He said they had need for supplies, such as boots, uniform clothing, medical supplies.

Q During this discussion, was Col. North referring to any documents or written material?

A I don't recall his using any notebook to speak with me.

Q Do you recall him using a spiral-bound notebook to talk?

A No.

Q Was there any discussion of armaments or what we've referred to as lethal aid during that meeting?

A Lethal aid? No.

Q Any discussion of armaments at all?

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A In the context of talking about battles, there may have been. But I don't know.

Q Did Col. North make any request of you or ask anything from you at that point at that meeting?

A He did not.

Q How did the meeting conclude?

A Well, before we left, he asked if I should like some written material. And he showed it to me and, as I recall, it was State Department documents. The one which was bound that I recall was entitled or subtitled, "Revolution Without Borders," and there were some other documents, a good many of which I had already seen because I do get State Department documents sent to me regularly. So I had probably seen all of them, and I took them with me.

I didn't bring them today because I forgot and they're just State Department bulletins. They're nothing classified at all.

Q Do you recall Col. North saying to you something along the lines of "There are some things I can't talk to you about on this side of Pennsylvania Avenue"?

A No, I don't recall that statement.

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Q You don't recall that statement at all, and specifically the "on this side of Pennsylvania Avenue" reference?

A No, I don't recall that.

Q Where did you go after the meeting with Col. North?

A When we left, Jane McLaughlin and I had lunch at the Hay Adams, I believe it is.

Q Did you have any conversations with Jane McLaughlin at that time?

A Yes, I did.

Q Could you relate those conversations?

A Well, there was one thing that, to the best of my recollection, she brought up, and that was an airplane company manufacturer called Maule, M-a-u-l-e, which I think is in Georgia. I believe that she showed me a picture of a Maule aircraft, which is a single-engine, I think it's high wing light plane. And she told me that that plane cost about $65,000, that Maule was a supplier to the Contras, as I recall her telling me that. And there was some mention about a light plane having been lost -- that is shot down or crashed -- recently.

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Q Was she showing you this with the request that you, in effect, purchase that airplane for the Contras? I mean, was it that specific?

A No. I think it was given as an example of aid to the Contras, this light plane. Did I tell you she mentioned the figure of $65,000, as I recall?

Q Do you recall a conversation with Ms. McLaughlin as you walked from the White House to the Hay Adams Hotel about how the Contra supply network worked?

A I do not recall her telling me that at any time, the mechanics, if you're talking about, and I do not recall that.

Q Do you recall asking her, how does this work?

A No.

Q Do you recall any reference by Ms. McLaughlin to a contact of Col. North's within the Contras who would notify him of their needs?

A No, I don't recall that specifically.

MR. MC GOUGH: Let's have this marked as the next deposition exhibit.

THE COURT REPORTER: This is 7.

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(The document referred to was marked for identification as Hooper Deposition Exhibit No. 7.)

BY MR. MC GOUGH:

Q I show you Deposition Exhibit 7, which I believe was among the documents you produced this morning.

A Yes, it is.

Q It's a letter dated May 5, 1986 from you to Mr. Channell.

Is that correct?

A That's correct.

Q At the time you wrote this letter, had you ever met Mr. Channell?

A No.

Q Had you ever met anyone other than Jane McLaughlin from NEPL?

A No, I think not.

Q In the fourth paragraph, you indicate that you would hope that NEPL would concentrate its efforts on Central and South America and the Caribbean where "all of us can agree on the nature of the problem today."

To what problem were you referring at that point?

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A What problem?

Q Uh huh.

A In Central America?

Q Yes.

A The problem of the Nicaraguans being under the control of the Sandinista government, specifically, and the other problems of revolution that follow from that.

MR. MC GOUGH: Let's have this marked as Deposition Exhibit 8.

THE COURT REPORTER: No. 8.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 8.)

BY MR. MC GOUGH:

Q Do you recognize that exhibit?

A Yes.

Q That is a letter dated May 6th, 1986, from Ms. McLaughlin to you, is it not?

A Yes, it is.

Q It refers, does it not, to a meeting with your brothers.

Is that right?

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A Yes.

Q I believe the specific reference is, "I wanted to let you know that Ollie would be available to meet" --

A Able to.

Q I'm sorry. "Would be able to meet with your brothers, either here in Philadelphia, if they would like."

Ollie -- you understood that to be Colonel North. Is that right?

A Yes.

Q What was the meeting about? Had you requested a meeting for your brothers?

A No, I had not. This was unsolicited, this statement.

Q How many brothers do you have?

A I have four.

Q And Ralph being one of them. Who are the others?

A Thornton Hooper, Adrian Hooper, Thomas Hooper.

Q Do you know which of those brothers she was referring to in that paragraph?

A It would have been my brothers Adrian and Tom, who are directors of the Elizabeth Hooper Foundation, I imagine.

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Q Had you raised that possibility with her, that Adrian and Tom might be interested in meeting Col. North?

A No, I had not raised this possibility with her.

Q All right.

A If I may elaborate --

Q Sure.

A -- nothing ever came of that. I didn't reply to that offer.

MR. MC GOUGH: Let's have this marked as the next deposition exhibit.

THE COURT REPORTER: No. 9.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 9.)

BY MR. MC GOUGH:

Q I show you Deposition Exhibit No. 9, a letter that appears to be from you to Ms. McLaughlin, dated May 27, 1986.

A Yes, that is mine.

Q Is that the cover letter that you sent with your contribution?

A That's the cover letter that went with the ryhoward

$100,000 check from the Elizabeth Hooper Foundation.

Q And I believe that's a part of Deposition Exhibit 2, is it not?

A That's correct.

Q And that signature bears -- I mean that check bears two signatures. One is yours. Is that correct?

A One is mine and the other is Thomas Hooper.

Q And Thomas is your brother?

A Yes.

Q And also a trustee of the foundation.

A That's correct.

Q What, if anything, did you tell Thomas Hooper about the purpose of the contribution?

A Thomas and Adrian, or Thomas would have been told that this was going for Contra aid. He would have also been told that it was within the purview of the foundation to do so.

Q Would you have told him what kind of aid it was going for?

A Would we, we would have said nonlethal aid, yes. I really don't recall a conversation, particularly, or a meeting.

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Q My next question was going to be, would this have been taken up at a meeting of the trustees or regular meeting of the trustees?

A No, this was an informal approval because our meetings are held in June. This was an informal approval among the four of us.

Q Would you have had to solicit the approval of two of your other brothers? Would you need three people in favor of that transaction?

A I think so, yes.

Q But there was no meeting and there would be no minutes of that meeting.

Is that right?

A I'm not sure whether there's minutes of that or not, frankly. I will look and see.

Q Would you do that?

A Sure. I'd better take a note.

(Pause.)

Q Now that letter includes, does it not, the statement, "Please have Ollie contact me to let me know what he is going to do with it, if that is possible."

And, again, "Ollie" is Col. North. Is that right?

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A (Nods in the affirmative.)

Q What did you mean, "if that is possible"?

A If that is possible would be if he would be in a position to call me.

Q Did you have any doubt about your right to know where the $100,000 was spent?

A Is it okay if I refer to some notes, or would you rather I didn't? I had to write my thoughts down on this, but if you don't want me to, I can narrate it.

Q You can refer to them, but they're going to become deposition exhibits if you do that. The choice is yours.

A Well, it might be better. I just wrote this last night.

Q Okay. Let's put a clip on it and mark it as a deposition exhibit, anything you're going to refer to.

A Terrible penmanship, though.

THE COURT REPORTER: This is No. 10.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 10.)

THE WITNESS: Now the reason I wrote this down is because I think, in order to make that sentence clear, it

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has to be in some kind of order.

Do you want me to read it?

BY MR. MC GOUGH:

Q Either read it -- but I think I have an outstanding question.

A Go ahead.

Q The question is, I believe the question was did you feel that you had a right to know where the $100,000 was spent?

A No.

Q Why?

A I felt that I had a right to know that NEPL was going to allow Col. North to direct where those monies would go.

Do you want me to elaborate?

Q (Nods in the affirmative.)

A Jane McLaughlin had told me that all monies that we gave would go to aid for the Contras. Now, when I say all monies, I think the matter at this time was a future contribution. We had already given money.

This was in her attempt to get us to give more money. Not only that it would all go to aid for the

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Contras, but that it would be undiminished by overhead of NEPL or any other organization, okay?

I did not trust entirely that what she said was the whole truth. The sentence in that letter of May 27th I'm referring to, I did not word that sentence directly in that it could have read to show my intent, "I want Ollie to assure me that he directed 100 percent of the monies that I am sending to aid to the Contras."

I did not want, nor did I need to know how many boots, bandages, food supplies, et cetera, it was going to buy.

I intended in this sentence to convey that I might be willing to check on the performance of NEPL, and I wrote a note which is somewhat irrelevant, but as an example, "Did donors want to provide Palm Springs mansions to the operators of PTL Club?"

That I wrote last night.

Q Just so the record is clear, this was written last night as you contemplated the deposition today?

A Yes.

Q I noticed that there were two pages of notes that you took out. The second, does it also deal with this

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deposition?

A It deals with the deposition, yes, but not exactly your question of the moment.

Q Is it a document responsive to the subpoena that we served upon you?

A Yes, I have no problem.

Q If you have no problem, but let's put it out and mark it as an exhibit. Give it to the Court Reporter and he'll make it Exhibit 11.

THE COURT REPORTER: No. 11

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 11.)

BY MR. MC GOUGH:

Q I'll just take a minute to examine it, if that's all right with you.

(Pause.)

A Would you mind if I got copies of that?

Q No, I'll make copies of it. Did you ever receive a reply specifically to that inquiry; that is, let me know what he is going to do with it?

A I never.

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Q Did that concern you?

A No, it really didn't. I just more or less let it pass by. And this is something I haven't told other people because it is irrelevant. My daughter was getting married on June 14th and I had more important things to do.

Q If you had thought about it at that time, or when you thought about it at that time, did the lack of an answer cause you to suspect perhaps NEPL's bona fides regarding that $100,000?

A It didn't. It, frankly, passed from my mind.

Q Did you send a copy of this letter, by any chance, to Col. North?

A No, sir, I did not.

Q After that date, did you ever hear from or see Col. North again?

A No, sir. Pardon me -- by letter, allegedly by letter, yes, but no conversation or meeting. I think I have a letter that might be appropriate now.

Q Let's mark it as an exhibit while we're on it.

THE COURT REPORTER: This is No. 12.

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(The document referred to was marked for identification as Hooper Deposition Exhibit No. 12.)

BY MR. MC GOUGH:

Q I show you Deposition Exhibit 12. Is that the letter to which you were referring?

A No, I'm referring to one of May 2nd, which is more in chronological sense.

Q All right. That one I gave you marked Deposition Exhibit 11 is dated July 23 -- Exhibit 12 is July 23. I have a copy of that letter, but I want to locate another copy of it to mark as an exhibit.

MR. MC GOUGH: Make this Exhibit 13.

THE COURT REPORTER: 13.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 13.)

BY MR. MC GOUGH:

Q Is this the letter that you received from Col. North?

A Yes, it apparently is.

Q All right. You also received, did you not, what

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has been identified as Exhibit 12; that is, a letter dated July 23.

A Yes.

Q So you got two letters from him, to the best of your recollection.

A Yes. That's all I can recall.

Q All right. After that time, after your donation of $100,000, did the people at NEPL continue to solicit your support?

A Yes.

Q And did you in fact continue to support them?

A I didn't give support to NEPL, but I gave, in September, a personal check at the request of Jane McLaughlin to something that is called the Anti-Terrorism --

Q American Committee.

A -- American Committee, yes.

Q I show you what has been marked as Deposition Exhibit 14.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 14.)

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BY MR. MC GOUGH:

Q That is the check that you gave to ATAC?

A This is from my checking account, Bruce H. Hooper, yes.

Q What did you understand to be the purpose of that contribution?

A The purposes of this, my understanding, was to form and support a media campaign through television and written media to bring to the attention of voters in various congressional districts the votes of their congressmen who had voted against Contra aid. And the one name that she mentioned to me, and she may have mentioned others, but I can't recall, was Michael Barnes of Maryland.

Q At this point, am I correct that you had not received back word on the disposition of your $100,000, either from Col. North or from NEPL?

A No.

Q And you nevertheless contributed an additional $3000 to a NEPL-sponsored political action committee.

Is that a fair --

A Whether it was NEPL-sponsored, it came from Jane McLaughlin.

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Q The solicitation came from Jane McLaughlin.

A The association, yes.

Q At the time you made that contribution of $3000, did you make any further attempt to find out where your $100,000 contribution had been spent?

A No.

Q Why not?

A I can't give you a reason; I just didn't.

Q Did there come a time in November of 1986 when you had lunch with Ms. McLaughlin and Mr. Channell?

A Yes.

Q Was that the first time that you had met Mr. Channell?

A Yes.

Q Can you tell me how that luncheon came about?

A In a telephone conversation prior to that with Jane McLaughlin, I told her that I would be coming to Washington, D.C. on the 17th of November to attend a dinner, and that I could see her the next day.

Therefore, she arranged for me to meet with her on the 18th of November. I met with her in her offices and then she and I met Carl Channell at the Hay Adams Hotel for lunch.

Q Where were their offices located?

A I'm not sure of the address. I think I made a note on there. I couldn't read it. Their new offices.

Q The newer offices.

A The newer offices, yes.

Q All right.

A I don't know the address.

Q Was there any discussion at lunch of the Contra effort?

A To this extent. I was asked by Carl Channell, and maybe Jane, to donate somehow $10,000 to help Col. North make a secret trip, by that, a clandestine trip, private trip, to Central America, that this trip had to be paid for with private funds because it was meant to be a secret trip.

And I gave no reply as to a yes or no to that request. The second request at that luncheon was to consider a contribution to help them operate or establish a radio station [redacted]

To that request, I made no reply one way or another.

Q Did you make any reply to their request for $10,000?

A I made no reply.

Q Was there a point in the conversation where you were asked to call Col. North by another name?

A Yes. Carl Channell, I believe, said, "Let us refer to him as Green at this table."

Q Now, did you find that request unusual, either by itself or in conjunction with the request for $10,000 to fund the trip?

A Which request?

Q The request that you refer to the name Green.

A No, I didn't find that unusual at all because there were other diners within earshot.

Q Did you find it unusual -- you knew at that point, at that time, that Col. North was a government official? You knew that he was employed by the National Security Council?

A Oh, yes. I had known that since much earlier.

Q Did you find it unusual that you were being

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solicited for money to send a government official on a mission?

A No, I did not find that unusual.

Q Why not?

A I didn't ask why. I just didn't ask why.

Q Why not?

A I really don't know how to answer the question.

Q Well, let me see if I can set it up a little better, a little more clearly.

You're aware that Col. North was an employee of the National Security Council.

A Uh huh.

Q You were aware that in the course of those duties at the National Security Council, he would indeed travel to places.

Is that right?

A Uh huh.

Q Had you ever in your experience heard of a request of private donors to send a government official on a clandestine or nonclandestine mission?

A I don't know that I heard of it, but I didn't find that unusual. If I may explain.

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Q Please.

A Government officials make secret trips. For instance, Kissinger to China. Now maybe he made that with private donations or covered his tracks. So I wouldn't find that unusual at all.

Q You say covered his tracks.

A Right, covered his tracks. When Kissinger went to China, he did it in a devious route, which I don't know how he did it, but evidently, nobody else knew, except a few people, that he went to China.

So I assume that these high officials will make trips that they can cover, so that is not unusual thinking to me.

Q As a former military officer --

A I think I understand that. From my education, I can understand that type of intelligence operation, yes, sir.

Q You've heard of the Central Intelligence Agency, I gather.

A Yes, sir.

Q And you know that they are the body that is responsible for clandestine activities in this country, or overseas.

A That is one of them, yes.

Q Let me ask the question this way. In your life, had you ever heard of, or are you aware of any other situation, apart from speculations how something might have happened, are you aware of any other situation where private donations were solicited to send a government official on a mission?

A Not to my knowledge.

Q Did you turn them down flat or did you tell them that you would consider their request?

A I think I did not turn them down flat. I don't recall. I probably said, I'll think about it. That would be my style.

MR. MC GOUGH: Let's mark this as the next deposition exhibit number.

THE COURT REPORTER: This is 15.

(The document referred to was marked for identification as Hooper Deposition Exhibit No. 15.)

BY MR. MC GOUGH:

Q Would you just identify that for the record?

A This is a letter which I wrote on November 11th, 1986, to Col. Oliver North, in his office location.

Q Did you ever receive a response to that letter?

A No.

Q After the $3000 contribution that's been marked as Exhibit 14, did you make any additional contributions to NEPL, ATAC or any other entity affiliated with them?

A None whatsoever.

Q To your knowledge, did your brothers or any of the foundations with which you're associated make any such contributions?

A To my knowledge, no.

Q Other than Col. North, in the course of your dealings with NEPL, did you have contact with any other government officials, either personal or by correspondence?

A Would you repeat that?

Q Sure. Other than setting aside Col. North, in your dealings with NEPL or through NEPL, did you have contact with any other government officials?

A No, if you don't include his secretary. I met her in the office.

Q Other than Ms. McLaughlin and Mr. Channell, did

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you have any contact with any other NEPL people?

A I met one Littledale, whose name is either Chris or Cliff Littledale, on the 18th of November in their offices. And I met that day one, Angela Davis of NEPL. And I may have greeted in a passing way some other employees in their office whose names I do not recall.

Q Other than that meeting in November for lunch, did you have any other contact with Mr. Channell?

A Yes. At that luncheon, he asked me early if I could stay in Washington that night to attend a dinner. And I first said, no. I thought I'd go back to the Philadelphia area. But he told me what the dinner was about and he persuaded me, and I was persuaded, I should say, to stay.

It was black tie and I didn't have a tux, but one of his people lent me a bowtie. So I attended the dinner at, I believe it was the Mayflower Hotel, that was under the auspices of the Ethics and Policy Center of Mr. Ernest LeFeuver. It was a big dinner and an honor for William Buckley. President Reagan was speaking, which was persuasive reason for me to go. Charlton Heston was the MC. And I sat at Carl Channell's table.

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Q Other than that evening, or that day, where you had lunch and dinner with Mr. Channell, did you have any other contact with Mr. Channell in your dealings with NEPL?

A The next contact I had with Mr. Channell was a phone conversation that took place early in 1987, and I believe it was January. As a matter of fact, I know it was in January, but I can't remember what day.

Q Who initiated the telephone conversation?

A He called me and asked me to meet with his lawyer because he wanted me to give her, Alexia Morrison by name, some information. I said, what information? He said, well, you had a meeting with Col. North and Jane McLaughlin and I was not present and I'd like my lawyer to learn what was the content of that meeting.

So he gave me her phone number and sometime later I contacted her because I was coming to Washington on or about February 7th, 1987, to go to a dinner at the Marriott. I told the woman that I could meet her Saturday afternoon and try to answer her inquiries. Which I did. I met with Alexia Morrison and Ms. Lubin, I think is her name, an associate in that firm.

Ms. Lubin took notes and Ms. Morrison asked me

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some questions, one, to tell me about the meeting with Col. North, which I did. And two, she had me verify contributions, all of which I had testified here today, which I think there are four different contributions that I had something to do with.

And that was what she wanted. I asked Ms. Morrison, what is the matter here? And she said, for instance, I asked her, what's happened with Jane McLaughlin and Carl Channell? She said words to this effect -- "I don't know what's happened to her, but she's gone and blabbed to the press," or words to that effect, okay? But I didn't pursue any details with her on what the matter at issue was.

And that is the only contact I've had with Carl Channell, was that phone call and then the meeting at his request with Alexia Morrison.

Q I note that, without marking it as an exhibit and burdening the record, you received a letter from Ms. McLaughlin on the letterhead of the Free World Foundation.

A Yes.

Q In January of 1987. Did you respond to that letter?

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A No. But I received a phone call from her sometime in -- I can't recall the date of the phone call, I really can't. And she said that she had left association with Carl Channell and his organization. I can't remember how she stated it. She said, and I have to say in effect. I can't remember exact words, except she said, I was disgruntled or disenchanted because she felt that the donors and Col. North had been misled by Carl Channell. And she was bitterly disappointed and upset that it's happening. And that's what she told me.

Q Did she say how they had been misled?

A She did not say how she was misled and I didn't ask her. This was a telephone conversation and I did not feel like expanding on that conversation further than what she had offered, so I didn't ask her.

Q Other than the contacts you related to us already, have you had any other contacts with people from NEPL, either who might presently be with them or who were at one time?

A I don't think I gave it to you, but I received a cover letter with a newspaper ad from something called Sentinel recently. Is it appropriate?

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Q Do you have it?

A If I have it.

Q If you have it, I'd like to see it.

(Pause.)

A If I don't have it, I wonder if Bill Davis has it.

(Pause.)

I don't have it.

Q Let me check with Bill.

A Either that or I could have given it yesterday to Mr. Zornell. I've related this tale so much, I forget. This was simply a letter from something called Sentinel, that said, I'm enclosing this ad for your information. It was signed by somebody by the name of Flores, as I recall, F-l-o-r-e-s, of whom I had never heard. It was a one-page ad in the newspaper, and I can't even recall the total thrust of it. It had to do with Nicaragua.

Q How recently did you receive this?

A It was a March newspaper, mid-March, and I just don't remember even what newspaper it was in. If I may elaborate, there was no request for money. It just said, enclosed, find this newspaper ad.

Q Did you ever hear of something called the TOYS

Project?

A I heard of TOYS through the news media in recent months, weeks.

Q Outside what you read in the newspaper, did anyone ever mention or discuss the TOYS Project with you?

A No, sir.

Q Did you ever hear of an organization called International Business Communications, or IBC?

A No, sir.

Q Did you ever --

A May I say that I've heard this only through news media since.

Q Outside what you've read in the newspapers.

A Okay, no.

Q Did you ever have any contact with a Richard Miller?

A No, sir.

Q Did you ever have any contact with a Frank or Francis Gomez?

A No.

Q Did you ever have any contact with a David Fischer ~~Fisher~~?

A No.

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MR. MC GOUGH: Let's take a minute, Mr. Hooper, while I talk to my cocounsel here and see if there's anything we've missed.

(Recess.)

MR. MC GOUGH: I believe Mr. Fryman has just a few questions that he wants to ask.

EXAMINATION

BY MR. FRYMAN:

Q Mr. Hooper, first, I just want to note for the record that in advance of the deposition today, you were given a subpoena from the House of Representatives calling for your appearance here today.

You had previously received the subpoena from the Senate and this morning you were given a subpoena from the House.

A Oh, yes, correct.

Q And you were also given copies of the House rules relating to this investigation.

A Yes.

Q And the resolution establishing the House Select Committee.

A Yes.

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Q I believe you indicated you met yesterday with representatives of the independent counsel's office.

Is that correct?

A That's correct.

Q Did you stay in Washington last night or did you return to Philadelphia?

A I stayed.

Q Did you stay in a hotel here in town?

A I stayed in the Sheraton Grand Hotel.

Q All right. You produced some notes this morning that you made last night in your hotel room that related to certain of the documents that have been marked as exhibits here today.

A Yes.

Q In connection with preparation of those notes, did you have any discussions with anyone?

A No.

Q Did you make any --

A I talked with my wife last night and I discussed what had happened during the day.

Q But did you discuss the substance of the notes with anyone?

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A No.

Q Did you make any phone calls last night other than to your wife?

A Yesterday, I talked to a lawyer by the name of Steve Shulman, and I went to his office. He wanted to hear what had gone by in the grand jury.

Q What do you understand Mr. Shulman's role to be?

A Shulman is an attorney that -- I forget the name of the firm -- that my brother Ralph had been in contact with.

I called him because I said to him, now I've been through the grand jury, but this meeting tomorrow, I'm not sure what the nature of this -- and he said, do you have a subpoena? And I said, yes. And I showed him the subpoena and he made some comments that it was terribly broad. And I said, I'm just concerned whether I need to have an attorney tomorrow.

I also told Mr. Shulman that I had seen Mr. Davis and he said, I don't think you need an attorney tomorrow.

Q Mr. Shulman has an office here in Washington. Is that correct?

A Yes.

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Q And you do not remember the name of the firm?

A The address is 1333 New Hampshire -- Cadwallader, et cetera.

Q Cadwallader, Wickersham and Taft?

A Right.

Q Do you understand that Mr. Shulman is representing any other individual or organization in connection with this investigation?

A No. He has been representing my brother Ralph to a certain extent. That's how I got his name.

Q In connection with this investigation?

A I believe so, but I'd rather not speak for my brother Ralph.

Q Do you know if your brother has testified in connection with this investigation?

A He testified before the grand jury yesterday. And it's my understanding that our presence before that grand jury is secret. Not only our testimony, but the fact that we were there.

Is that correct?

MR. MC GOUGH: Let me speak to that. It is correct in the sense that neither the government, nor the grand

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jurors are at liberty to discuss it. It is confidential as to them. It's also correct in the sense that you do not have to discuss it if you do not so wish. On the other hand, it is not secret in the sense that you cannot, if you so desire, describe what happened before the grand jury.

THE WITNESS: I understand that.

BY MR. FRYMAN:

Q You mentioned that you met with Mrs. Morrison, who was acting as counsel for Mr. Channell.

A Yes.

Q Have you only met with her once?

A Yes.

Q Have you spoken with her more than once?

A No.

Q Did she or any of her associates ask you to report back to her after any meetings you had with any investigators?

A No, sir.

Q Mr. Hooper, in the materials that you produced, there is a letter from Elliott Abrams, who is an official of the State Department.

A Yes.

Q And there is also an invitation to a reception at which Mr. Abrams was going to appear.

A Yes.

Q Have you ever met Mr. Abrams?

A No, sir.

Q Did he ever appear at any of the meetings that you attended?

A No, with the possible exception that he may have been in that big grand ballroom. But I was not with him. There were a lot of people there, so --

Q He never spoke.

A He never spoke or I think I haven't even seen him personally.

Q All right.

(Pause.)

MR. FRYMAN: I have no further questions.

THE WITNESS: Did you understand what I told you about these notes?

MR. MC GOUGH: I believe we've got it on the record and I think, having reviewed them -- these notes, being Deposition Exhibits 10 and 11.

THE WITNESS: That I made last night.

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MR. MC GOUGH: Yes. Mr. Buck?

EXAMINATION

BY MR. BUCK:

Q Mr. Hooper, my name is Ken Buck and I'm the assistant minority counsel with the House Select Committee.

Could you tell me, what was your personal impression of Oliver North? What kind of person did you think he was?

A He was an impressive person.

Q In your meeting with Mr. North at his office, did he ever ask you for money?

A He did not.

Q Did he ever tell you that someone else would be asking you for money?

A He did not.

Q So your contribution was never raised at that point.

A That is correct.

Q Okay. Going into the office, did you assume that the reason that you were meeting with Mr. North was to contribute?

A I stated the reasons for the meeting. I wanted a

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briefing on Central America and I also would have felt more comfortable if he were directing the monies, which one could assume from our meeting, since Jane McLaughlin was in the room, that he had something to do with the direction of the money. That gave me comfort, okay?

Q Right. I see that in the explanation. I'm referring to Deposition Exhibit No. 10.

A Yes.

Q The word that I need for you to explain to me is "direct." What sort of direction did you anticipate --

A Okay, that he would -- that word "direct" -- let me see if I can --

(Pause.)

Q "I want Ollie to assure me that he directed 100 percent of the monies that I am sending."

A Yes, that he would tell NEPL, for example, where to send the money. That's my assumption.

Q Okay.

A That is what that word means, to answer your question, that he would tell someone where to send the money, yes.

Q Bear with me; I just want to get a little more

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comfortable with your use of that word.

Did you anticipate that Mr. North would determine how many band aids and how many guns, or did you think that Mr. North would direct money to the Contras, as opposed to another project?

A I did not know.

Q You didn't know.

A No. I assumed that he would direct the money that we had and would give to NEPL somewhere.

Q You also seemed to be concerned with the overhead that NEPL might be keeping from you. You mention again in Exhibit 10, "I did not trust entirely what she said was the whole truth."

Was that referring to --

A That refers to a statement that all of the monies that we were giving were going to go undiminished to aid for the Contras.

Q Okay.

A And that's not the usual with an organization.

Q What type of overhead did you think they might be keeping? Did you have any kind of percentage idea?

A No, I have no idea what the overhead is or any

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other organization.

Q Okay. Would you be surprised if it was 10 percent?

A No. That sounds probably low for an organization like this.

Q Would you be surprised if it was 35 percent?

A No.

Q Had you heard of the Boland amendment?

A Yes, I heard of it, but I cannot -- well, what does it mean? It meant, I believe, that the U.S. Government could not give military aid directly or indirectly to so-called Contras. That's my understanding of it.

Q And when you met with Mr. North, did you think about your conversations at all in connection with the Boland amendment?

A Would I have thought about it? Yes, to the extent that armaments were forbidden to be supplied by government officials, yes.

Q So were you surprised that Mr. North may be able to direct private monies towards --

A No, I was not surprised.

Q I'm referring now to Deposition Exhibit No. 11,

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Mr. Hooper. In paragraph 1, it states, "I assume that it would be illegal for monies of our foundations to be so used."

A Referring to armaments.

Q Referring to armaments. So your impression at the time that you donated monies was that none of those monies was used for armaments.

A That is correct.

MR. BUCK: I have no further questions.

MR. MC GOUGH: I believe you're excused, Mr. Hooper.

(Signature not waived.)

(Whereupon, at 10:40 a.m., the taking of the deposition was concluded.)

Bruce H. Hooper

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, Gary S. Howard, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Gary S Howard

Notary Public in and for the
District of Columbia

My Commission Expires November 14, 1990.

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Corrections to Hooper Deposition

Page [illegible] Line 14

The answer [illegible]

Page [illegible] Line 16.

[illegible]

[illegible] words [illegible]

Substitute "give to NEPL concluding" [illegible] one

~~to [illegible]~~ [illegible] words

→ "be given to the suppliers of contra aid."

Bruce H Hooper

approved

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Corrections to Hooper Deposition

Page 32 Line 14

The answer was [illegible]

[illegible] Line 16.

Line [illegible]

[illegible]

[illegible] Words [illegible]

[illegible] IF ONE

"give to NEPL somewhere"

[illegible] WORDS

~~"to [illegible] AID."~~

to "be given to the members of contra aid."

Bruce H Hooper

[illegible]

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UNITED STATES OF AMERICA

Congress of the United States

To Bruce Hooper

, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION *of the Senate of the United States, on* April 1 *, 19*87*,* *at* 9 *o'clock* a*.m., at their committee room* Hart Senate Office Building, 9th Floor *, then and there to testify what you may know relative to the subject matters under consideration by said committee.*

Pursuant to Committee Rule 6, this subpoena directs appearance at the deposition whose notice accompanies it. You must bring with you the materials listed in the attached Schedule.

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To any Select Committee staff member or U.S. Marshal *to serve and return.*

Given *under my hand, by order of the committee, this* 23 *day of* March *, in the year of our Lord one thousand nine hundred and* eighty-seven

Daniel K. Inouye, Chairman

DEPOSITION EXHIBIT
#1
Hooper
4-2-87

UNITED STATES OF AMERICA

Congress of the United States

Notice of
Senate Deposition

To Bruce Hooper

Greeting:

Please *take notice that at* 9 *o'clock* a. *m., on* April 1 *19*87 *at* Hart Senate Office Building, 9th Floor *of the staff of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition of the Senate of the United States, will take your deposition on oral examination concerning what you may know relative to the subject matters under consideration by said Select Committee. The deposition will be taken before a notary public, or before some other officer authorized by local law to administer oaths; it will be taken pursuant to the Select Committee's rules, a copy of which are attached.*

Given *under my hand, by authority vested in me by the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition on* March 23 *, 1987*

SCHEDULE -- BRUCE HOOPER

1. The respondent to this subpoena shall produce all materials pertaining, referring, or relating in any way whatever to:

a. Carl R. Channell and/or any entity with which Carl R. Channell is or was associated, including, but not limited to (i) National Endowment for the Preservation of Liberty, (ii) Channell Corporation, (iii) Sentinel, (iv) American Conservative Trust, (v) American Conservative Foundation, (vi) Grow Washington, (vii) Hill-Potomac Group, (viii) Western Goals Endowment Fund, (ix) Western Goals Foundation, (x) Anti-Terrorism American Committee, and (xi) American Conservative Trust State Election Account;

b. Richard R. Miller and/or any entity with which Richard R. Miller is or was associated, including, but not limited to (i) International Business Communications, Inc., (ii) Institute for North-South Issues, (iii) I. C., Inc., (iv) Intel Co-Operation, Inc., and (v) World Affairs Counselors, Inc.

c. Dan H. Kuykendall and/or any entity with which Dan H. Kuykendall is or was associated, including, but not limited to, the Gulf and Caribbean Foundation;

d. Robert Owen and/or any entity with which Robert Owen is or was associated, including, but not limited to (i) Institute for Democracy, Education, and Assistance, (ii) Council for Democracy, Education, and Assistance, and (iii) Institute on Terrorism and Subnational Conflict;

e. the involvement of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

f. the use of any funds that were at any time under the control of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

g. Toyco S.A., a monetary account referred to as "Toys", or any other account or entity with the word "Toy" in the name;

h. communications between Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen and White House personnel, or between any of those individuals and any third party relating to White House personnel, including, but not

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk antiaircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting doucments, and work papers relating to such record;

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If your or your counsel have any questions regarding this subpoena, please contact James E. Kaplan or Timothy C. Woodcock at (202) 224-9960.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique
Calero, Adolfo
Calero, Mario
Cameron, Bruce
Conrad, Daniel L.
Chamorro, Pedro
Cooper, William J.
Clines, Thomas
Cruz, Arturo
Cruz, Arturo, Jr.
de Senarclens, Jean
Dutton, Robert
Fischer, David
Furmark, Roy
Gadd, Richard
Garnel, Jose
Ghorbanifar, Manucher
Gomez, Francis
Hakim, Albert
Hashemi, Cyrus
Hull, John
Kashoggi, Adnan
Kimche, David
Ledeen, Michael
Lilac, Robert
Lilac, Robert
McMahon, Steve
McFarlane, Robert
F. Andy Messing, Jr.
Montes, Oscar
Nimrodi, Yaacov
Nir, Amiram
North, Oliver L.
Poindexter, John
Quintero, Rafael
Robelo, Alfonso
Robles, Rodolfo
Rodriquez, Felix aka Max Gomez
Rose, Jose Bueso
Sacasa, Marrio
Sanchez, Aristides
Schwimmer, Adolph (Al)
Secord, Richard V.
Shackley, Theodore
Singlaub, John L.
Soghanalian, Sarkis
Sommeriba, Leonardo
Wilson, Edwin
von Marbod, Erich.
Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
Military Airlift Command
Central Intelligence Agency
National Security Council
President's Intelligence Oversight Board
Federal Aviation Administration
Geneva Commercial Registry
Military Reutilization and Material Supply Department, Portugal
National Armaments Directorate, Portugal
Nugen-Hand Bank, Australia
Overseas Defense Corp.
Department of Defense
Lloyd's of London
any agency, division, or department of the United States government with responsibility for foreign relations, for intelligence activities, or for manufacturing, storing, shipping, selling, transferring, monitoring, or accounting for any arms, munitions, or military personnel
any agency, division, or department of the government of,

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk antiaircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting doucments, and work papers relating to such record;

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If your or your counsel have any questions regarding this subpoena, please contact James E. Kaplan or Timothy C. Woodcock at (202) 224-9960.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique
Calero, Adolfo
Calero, Mario
Cameron, Bruce
Conrad, Daniel L.
Chamorro, Pedro
Cooper, William J.
Clines, Thomas
Cruz, Arturo
Cruz, Arturo, Jr.
de Senarclens, Jean
Dutton, Robert
Fischer, David
Furmark, Roy
Gadd, Richard
Garnel, Jose
Ghorbanifar, Manucher
Gomez, Francis
Hakim, Albert
Hashemi, Cyrus
Hull, John
Kashoggi, Adnan
Kimche, David
Ledeen, Michael
Lilac, Robert
Lilac, Robert
McMahon, Steve
McFarlane, Robert
F. Andy Messing, Jr.
Montes, Oscar
Nimrodi, Yaacov
Nir, Amiram
North, Oliver L.
Poindexter, John
Quintero, Rafael
Robelo, Alfonso
Robles, Rodolfo
Rodriquez, Felix aka Max Gomez
Rose, Jose Bueso
Sacasa, Marrio
Sanchez, Aristides
Schwimmer, Adolph (Al)
Secord, Richard V.
Shackley, Theodore
Singlaub, John L.
Soghanalian, Sarkis
Sommeriba, Leonardo
Wilson, Edwin
von Marbod, Erich.
Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
Military Airlift Command
Central Intelligence Agency
National Security Council
President's Intelligence Oversight Board
Federal Aviation Administration
Geneva Commercial Registry
Military Reutilization and Material Supply Department, Portugal
National Armaments Directorate, Portugal
Nugen-Hand Bank, Australia
Overseas Defense Corp.
Department of Defense
Lloyd's of London
any agency, division, or department of the United States government with responsibility for foreign relations, for intelligence activities, or for manufacturing, storing, shipping, selling, transferring, monitoring, or accounting for any arms, munitions, or military personnel
any agency, division, or department of the government of,

any instrumentality of, or any national of, or person located in Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras, or Guatemala

3. Any of the following entities, or any entity whose name is as listed, but followed by Inc., Corp., Corporation, Ltd., Co., Company, or SA., doing business in any location whatever:

ACE
Airmach, Inc.
Albon Values
Alpha Serivces, S.A.
Amalgamated Commercial Enterprises, Inc.
American Marketing and Consulting, Inc.
American National Management Corporation
Baggett Transportation Company
CSF
CSF Investments Ltd.
CSFR Inv. Ltd.
Chester Co.
Compagnie de Services Fiduciares SA
Corporate Air Services, Inc.
Dataguard International
Defex - Portugal
Dolmy Business, Inc.
EAST Inc.
EATSCO
Eagle Aviation Services and Transportation
Egyptian American Transport Services, Inc.
Energy Resources International
Fifteenth of September League
Gulf Marketing Consultants
Hyde Park Holdings
Hyde Park Square Corporation
I. B. C.
IDEA
Intercontinental Technology
International Research and Trade
Kisan
Lake Resources Corp.
Lake Resources, Inc.
Lilac Associates
Maule Air, Inc.
Missurasata
NRAF Inc.
National Defense Council Foundation
National Liberation Army
N. S. I.
Nicaraguan Democratic Force (FDN)
Nicaraguan Democratic Union
Nicaraguan Development Council

Nicaraguan Freedom Fund, Inc.
Nicaraguan Revolutionary Armed Forces (FARM)
Project Democracy
Queen Shipping
R. M. Equipment Co.
Revolutionary Democratic Alliance (ARDE)
S & S Trading Corp.
SOME Aviation
Secord Associates
Southern Air Transport, Inc.
Southern Bloc Opposition (BOS)
Stanford Technology, Inc.
Stanford Technology Trading, Inc
Stanford Technology Trading Associates, Inc.
Systems Services International
Trans World Arms Inc.
Udall Corporation
Udall Research Corporation
Udall Resources, Inc., S.A.
United Nicaraguan Opposition (UNO)

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4 MAR 86

NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY

305 FOURTH ST. N.E.
SUITE 1000
WASHINGTON D.C. 20002

March 4, 1986

JM 000033

Mr. Ralph Hooper
Hooper Brothers Company
Three Parkway
Philadelphia, PA 19102

Dear Ralph:

Thought you might want a copy of the President's response to our Central American Freedom Program.

We believe Congress will vote on the aid package the week of the 17th instead of the 25th. That means we lose 8 days to campaign. We must make every effort to double our advertising to produce an even greater impact. We need to buy more air time. We've got to counter the already spreading Communist propoganda.

Spitz met with the President and the UNO leaders yesterday. They need our help. Ralph, you've given alot. If we had more time I wouldn't be coming back to you so soon. But, you're not a fence sitter like so many that I've contacted. We're forced to go back to those who've stood behind us from day one. If you can see your way clear to fund an additional spot in each of the districts for approx. $25,000, we can win this vote for the President and America's future.

Thanks for being a guardian of Democracy.

I'll talk with you soon.

5344

Sincerely,

~~Partially Declassified~~/Released on 11FEB88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Jane E. McLaughlin

Enclosures
JEM/ajd

UNCLASSIFIED

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#4
Hooper
4/2/87

3 APR 86

UNCLASSIFIED

NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY

305 FOURTH ST N E
SUITE 1000
WASHINGTON D C 20002

April 3, 1986

JM 000026

Mr. Bruce Hooper
Fidelity Court Building
Radnor - Chester Road
Radnor, PA 19087

Dear Mr. Hooper:

As you well know, we are in the final days of the President's crucial campaign to achieve the aid the Freedom Fighters so desperately need.

Not simply humanitarian aid, but more importantly the effective military aid needed if the Freedom Fighters are to continue successfully resisting attacks by Soviet-supplied Mi-24/HIND D gunships.

The cause of freedom over tyranny will hang in the balance in Nicaragua during the next 100 days. At our upcoming meeting you will be briefed in detail on what those 100 days hold in store for the Freedom Fighters.

We appreciate your support of $15,000. Your help has kept the President's most important foreign policy issue very much alive. We are certain this will lead to ultimate victory on April 15th.

I am enclosing materials for your review. We look forward to seeing you and Ralph on April 16th or 24th.

Sincerely,

Jane E. McLaughlin

5346

[redacted]/Released on 11 Feb 88
[redacted]
by K. Johnson, National Security Council

Enclosures
JEM/ajd

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#6
Hooper 4/2/87

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BRUCE H. HOOPER
FIDELITY COURT BUILDING
RADNOR-CHESTER ROAD
RADNOR, PENNSYLVANIA 19087

215-293-0216

May 5, 1986

Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
305 Fourth Street, N.E.
Suite 1000
Washington, DC 20002

Dear Mr. Channell:

First, I had a stimulating morning in the company of Mr. North and with Jane McLaughlin.

I told her that I would gather some support and I am in such process now.

Second, I am glad that you sent your lettor and the French response. I received a copy of your letter last week.

I should hope that you would concentrate your efforts on Central and South America and the Caribbean where all of us can agree on the nature of the problem today.

I appreciate your forwarding a French reply and I am somewhat sympathetic to it. I think the French do not want to see tit-for-tat escalation and I think we ought to concentrate in having our oil companies cease to operate there. On the other hand, it was a right thing to do to Libya.

Sincerely,

Bruce

Bruce H. Hooper

BHH:kal

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#7
Hooper
4/2/87

6 MAY 86

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NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY

305 FOURTH ST. N.E.
SUITE 1000
WASHINGTON D.C. 20002

May 6, 1986

Mr. Bruce Hooper
Fidelity Court Bldg.
Radnor - Chester Road
Radnor, PA 19087

Dear Mr. Hooper:

I'm glad you were able to come to Washington last week. I very much enjoyed meeting with you.

I wanted to let you know that Ollie would be able to meet with your brothers either here or in Philadelphia if they would like.

We look forward to hearing from you soon.

Sincerely,

Jane E. McLaughlin

Jane E. McLaughlin

JEM/ajd

P.S. The football coach from West Chester was Killenger.

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

5348

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#8
Hooper
4/2/87

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May 27, 1986

Miss Jane E. McLaughlin
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY
305 Fourth St., N. E.
Suite 1000
Washington, D.C. 20002

Dear Jane:

Enclosed is the contribution which I mentioned to you on the telephone ten days ago. I am a couple of days late sending it but I hope it will do some good.

Please have Ollie contact me to let me know what he is going to do with it, if that is possible. My office number is: 293-0216; my home number is : 688-6118.

Very truly yours,

Bruce H. Hooper
Secretary

BHH/emm

Enclosure

DEPOSITION
EXHIBIT
#9
Hooper
4/2/87

27 May 86?

Explanation of Letter of May 27, 1986

1. Jane had told me that all monies that we gave would go to aid for the Contras, undiminished by overhead.

2. I did not trust, entirely that what she said was the whole truth

3. I did not word that sentence directly in that it could have read "I want Ollie to assure me that he directed 100% of the monies that I am sending to aid to the Contras

4. I did not want nor did I need to know how many boots, bandages, food supplies etc it was going to buy

5 I intended, in this sentence, to convey that I might be willing to check on the performance of NEPL

[Example: Did donors want to provide Palm Springs mansions to operators of PTL]

#10

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

5350

No Date

UNCLASSIFIED

ON THE MATTER OF ARMAMENTS BEING A HIDDEN PURPOSE FOR THE FUNDS:

1. I ASSUME THAT IT WOULD BE ILLEGAL FOR MONIES OF OUR FOUNDATIONS TO BE SO USED.

2. UPON ASSUMING FROM MY MEETING IN COL. NORTH'S OFFICE IN THE PRESENCE OF JANE McLAUGHLIN THAT HE WOULD DIRECT THE MONIES FROM NEPL TO SUPPLIERS OF NON-LETHAL AID FOR DELIVERY TO CONTRAS, THAT PUT THE IMPRIMATUR ON OUR TRANSACTION

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#11

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under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

23 Jul 86
File
NATIONAL
Preservation
of Liberty
Foundation

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 23, 1986

Dear Bruce:

America is now at the verge of answering the challenge the Soviets laid down in Nicaragua. When the President was most in need of support and sustained faith in this leadership, you helped to provide both. The struggle for freedom in Nicaragua must first be won in the halls of Congress. Without your dedication and resolve to stay with the President in this long campaign, neither victory would be possible. Once the Senate approves the aid, we will finally be at a point where we can truly make a contribution to a democratic outcome in Nicaragua.

All Americans owe you a great debt. As men who have lived through combat know, without a sustained level of support, those in the front lines can accomplish nothing. Your perseverance in the cause of freedom and President Reagan's dream for a free Nicaragua were the sustaining measure that will carry us that last difficult mile.

For your patriotism, courage, and dedication, thank you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

DEPOSITION EXHIBIT
#12
Hooper
4/2/87

Mr. Bruce H. Hooper
Fidelity Court Building
Radnor-Chester Road
Radnor, PA 19087

5352

~~Partially Declassified~~ [illegible] 1/25/88
~~under provisions of~~ E.O. [illegible]
by B. [illegible], National Security Council

UNCLASSIFIED

2 MAY 86

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

Bruce Hooper [redacted]

May 2, 1986

JM 000027

Dear Bruce:

Here is the situation today. Congressman Bob Michel, Republican Leader of the House of Representatives, persuaded a majority of the House to vote overwhelmingly for a bill which got the President's Freedom Fighter package away from being included as a supplement to a huge Democrat-sponsored spending bill.

This spending bill, if passed, faces an almost certain veto by President Reagan. Michel's adroit leadership has now effectively saved the Freedom Fighter aid bill, intact, for what we hope will be a final vote during the week of June 9. He is determined to emerge victorious, even if he must doggedly wear down the opposition.

You are obviously supporting the President for the long term as well. I want to thank you so very much for all you are doing to support President Reagan and to help assure a victory for freedom in Central America.

We are entering a critical period now in the legislative struggle. The President is chipping away at the opposition and gaining solid momentum for a clear victory in the next three weeks. This is due in no small way to your support of the ongoing Central American Freedom Program of the National Endowment for the Preservation of Liberty.

I hope you will remain steadfast with the President as he leads this effort. I know personally that he values your help very much. We must continue to work together for the success of the President's policy. It's been a long struggle -- we're almost there. Please maintain your invaluable, strong support.

Sincerely,

1/25/88

Oliver L. North
Deputy Director,
Political-Military Affairs

5353

Mr. Bruce H. Hooper
Fidelity Court Building
Radnor-Chester Road
Radnor, PA 19087

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DEPOSITION EXHIBIT
#13
Hooper

RPTS DINKEL

DCMN GILE

ORIGINAL

DEPOSITION OF

NELSON BUNKER HUNT

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Friday, April 24, 1987

The deposition convened at 9:30 a.m. in Room 328, the Capitol.

Present: Thomas Fryman, Staff Counsel, House Select Committee to Investigate Covert Arms Transactions with Iran; Bill Davis, Investigator; W. Thomas McGough, Jr., Associate Counsel, Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition; Ivan Irwin, Jr., Shank, Irwin & Conant, 4100 Thanksgiving Tower,

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4093

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under provisions of E.O. 12356
by D. Sirko, National Security Council

Dallas, Texas, 75201, on behalf of the witness.

(9:30 a.m.)

Whereupon,

NELSON BUNKER HUNT

was called as a witness, and having been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. FRYMAN:

Q Mr. Hunt, would you state your full name for the record, please?

A Nelson Bunker Hunt.

Q Where do you reside, Mr. Hunt?

Privacy

A [redacted] Dallas, Texas.

Q Would you briefly describe for the record your business interests?

A I am in the oil and gas exploration business, farming, ranching, various investments otherwise.

Q Are you an officer of any companies?

A Yes. I am the Chairman of the Board of Hunt Energy Corporation.

Q Do you hold any position in any non-profit organization?

A I am not sure. You mean like director of the Red Cross or something like that?

Q Yes. Are you on the board of any non-profit

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by D. Sirko, National Security Council

organization or are you an officer of any non-profit organization?

. A I am on the board of some, but rather inactively, if at all.

. Q Which one are you on the board of?

. A Oh, that is a--I don't think I can recall them. Most of these things are very informal. I am inactive to the point that I don't really remember which ones. The Old Time Gospel Hour--I do remember that one.

. Q Are you on the board or are you an officer of any organization that is involved in any political activity?

. A No, I don't think so.

. You know, I just don't know. Everything--everything is involved in some political activity. I am not exactly sure what you mean by that.

. Q Other than the Old Time Gospel Hour, what organizations do you recall that you are on the board of or are you an officer of?

. A I am a--on the board of the Council of National Polity, and that is a--I believe a 501(c)(3) organization.

. Q Are you on the board or are you an officer of any other 501(c)(3) organizations?

. A I am sure I am, but I really just couldn't recall their names offhand. Seems like everything is 501(c)(3), at least that is what I am told.

. Q Well, Mr. Hunt, [illegible] on the board of the Council for National Policy, do you regularly receive materials from the officers of that organization?

. A They don't send out much in the way of material. I think they do have some kind of a newsletter.

. Q Do you attend board meetings?

. A I have. I have attended them in the past, yes.

. Q How many have you attended in the last year?

. A I don't believe I have been in the last year.

. Q And have you attended board meetings of other 501(c)(3) organizations?

. A Yes. I think--I think one or two, but I am not trying to be devious. I just can't remember the names of these things.

. There is a--Ed McAteer from Memphis, Tennessee has an organization which is a Christian organization. I have been to his board meetings. I can't think of the name of his organization.

. Q How could you spell McAteer?

. A M-c-A-t-e-e-r.

. Q And what other 501(c)(3) organizations other than these two? If you can't identify the name, just generally describe the nature of the organization.

. A Well, the Texas Bible Society would be one. And it is a Christian organization. I am not sure whether it is a

501(c)(3) or not. They distribute bibles in Dallas and in Texas.

. Q Any others that you recall?

. A Well, I can't recall. I am sure there are some others, but, you know, a lot of these organizations, they want to put you on their board of directors hoping to get a contribution. Maybe you never get to a meeting. So, I am sure I am on some of those.

. Q Have you been on the board of any organization that you understand has been involved in any way with Nicaragua?

. A I don't believe so.

. Q Have you been an officer of any such organizations?

. A I don't believe I have, no.

. Q Did you ever serve on the board of Western Goals?

. A I am not sure. I think I was on the letterhead of Western Goals.

. I knew Larry McDonald, the congressman, quite well. I believe he put me on the board. I don't think I ever attended a meeting.

. Q Have you ever been on the board of any organization associated with General Singlaub?

. A I don't believe so. I know General Singlaub. I met him, but I haven't been on his board as far as I know.

. Q Now, you mentioned the Council for National Policy. How long have you served on that board?

. A I think about four years--since shortly after the organization was started, I believe, however long that has been. Maybe five years.

. Q Are board meetings held at regular intervals?

. A They have three meetings, sort of membership meetings per year. Generally, there is a board meeting at the membership meetings.

. Q How large is the board?

. A I believe it is about 400, but there may be an executive committee separate from the board of maybe a dozen.

. Q Are you on the executive committee?

. A Yes, I am.

. Q Who else is on the executive committee?

. A Well, also Rich DeVoss, Joe Coors, Pat Robertson. He has been on--I am not sure whether he is on it right now. Like I say, I haven't been to a meeting in a year. I am a little out of touch with it.

. Paul Wyerich, I believe Howard Phillips, and three or four others whom I just can't recall right offhand.

. Q Who are the officers of that organization?

. A Well, it rotates. They seem to have a new president every year or two. I am not sure who is president right now. Might be Rich Devoss. Pat Robertson has been president. I was president three or four years ago.

. Q Is there someone who fills the role of a paid executive director?

. A Yes, there is. I believe his name is Jack Nelson. I think they maintain an office in the Washington, D.C. area.

. Q Is there anyone else that you have dealt with in that organization who is an executive employee?

. A Well, in the past, prior to Nelson, there was a woman. I believe her name was Margo Carlisle. She was sort of executive director.

. Prior to her, there was a man named Woody Jenkins.

. Q And I believe you said that organization had meetings three times a year?

. A I believe that is correct.

. Q Did you attend any of those meetings in 1986?

. A I don't believe so, but I might possibly have. But it has been some time. I have missed several meetings. I am not sure when is the last meeting I attended.

. Q Do you recall if you attended any of those meetings in 1985?

. A You know, I don't recall. I would think I have. I would speculate that I probably was at a meeting in 1985, but I don't have any recollection.

. Q At any meeting of the Council for National Policy that you attended, did you--let me withdraw that question.

Q At any meeting of the Council for National Policy that you attended, were you aware of any discussion of Nicaragua?

A You are talking about a general membership meeting or the--the executive meeting?

Q Either. It would include either of those two or any private discussion with a smaller group that you would have had at any of those meetings.

A Well, they have--they have speakers, you know, usually eight or ten speakers per meeting, covering a rather wide range of topics. They have had speakers talk about Nicaragua, Central America. I believe Oliver North spoke at one meeting, and that was before the general membership.

Now, I was never in the--I don't recall the executive committee ever speaking about Nicaragua or Central America.

Q Did you ever speak with Mr. Coors in any way about Nicaragua?

A No, I didn't.

Q Were you ever asked at a meeting of the Council for National Policy to make any sort of contribution with respect to Nicaragua?

A No. Adolfo Calero, he attended a couple meetings, at least that I was at, and I met him. But the Council for National Policy, I think they may have a rule prohibiting anybody asking for contributions. Just about anything.

Q In any case, you were not asked at any Council for National Policy meeting for a contribution; is that correct?

A That is correct.

I do remember one time there was a--a meeting in somebody's room, you know, maybe they had a film or something they wanted to show. They showed a film of the situation in Central America or something.

I think they may have violated the rules of the organization by saying that if anybody wanted to contribute, they would be available. But that was separate, apart from the Council for National Policy.

You know, when you get 400 or 500 people at a meeting, there are a lot of people that have got various axes to grind. I think in the early days there was a lot of independent soliciting, to the point that the organization did pass a rule that they shouldn't be soliciting each other for contributions for the various causes.

Q On the occasion when this film was shown, was Mr. North present?

A I don't believe he was.

Q Who showed the film?

A Seems to me Woody Jenkins showed the film.

Q Was this in 1985 or 1986?

A Oh, it was--certainly wasn't in 1986. It could have been in 1985 or 1984, but Woody Jenkins was the first executive director of the Council for National Policy. He lived in Baton Rouge, Louisiana.

When the headquarters were moved to Washington, D.C., he resigned, because he didn't--was in the Louisiana legislature and didn't want to leave Louisiana. But he remained a member of the organization and would attend meetings.

I think Woody has some kind of a--and his wife, one of the other--both of them have some kind of an organization to help the refugees from Nicaragua and Central American. They do raise funds for that.

Q Have you contributed to any organization with which Mr. Jenkins is associated other than the Council for National Policy?

A Seems like I made a contribution to his organization at one time. I am not sure when it was or even how much it was--$5,000 or $10,000, something like that.

Q This is the refugee organization?

A I think so.

Q Do you know if Mr. Jenkins has been involved in any way with providing arms for the resistance in Nicaragua?

A I have no idea. As far as I know, the answer would go negative, but I don't know what he is doing.

Q Mr. Hunt, do you know a person named Carl Channell?

. A Yes, I believe--I know him as Spitz Channell.

. Q Same person.

. A Yes.

. Q When did you first meet him?

. A Oh, seven or eight years ago, ten years ago. I can't remember. It has been some time.

. Q What were the circumstances of your first meeting?

. A I believe he was involved in the NCPAC organization as some kind of a--as a fund raiser.

. Q What is NCPAC?

. A As I said, I am not sure. I was afraid you would ask that, a PAC, I guess, being Political Action Committee. The NC is NC--it was Terry Dolan's. Terry Dolan was involved in the organization, and a man named Brent Bozell. I don't know what the NC stands for--National Committee, Political Action Committee.

. Q Is it National Conservative?

. A Maybe that is it, National Conservative Political Action Committee.

. Q You believe you met him seven to ten years ago in connection with that?

. A I would say so, yes.

. Q What were the circumstances of your first meeting with him?

. A I just don't remember. I believe there were three or four fellows in NCPAC around. They were hustling--soliciting funds.

. Q Were you a solicitee?

. A I would say so, yes.

. Q During the past seven to ten years, how many times would you say that you have met face to face with Mr. Channell, approximately?

. A Well, I am speculating. I would say six or eight.

. Q Would you briefly describe for the record the occasions you recall meeting with him?

. A Well, let's see. I don't know that I can--my memory is always hazy on any these things.

. Channell travels around a bit, and he came through Dallas and would stop by my office for an appointment. He would usually call in advance. He would stop by and he would have some project he was working on. He would attempt to solicit funds for the project, all kinds of things, like scholarship funds for--that type of thing to train political candidates to--they put on a fund raising deal at my ranch two and a half years ago, roughly, during the Republican convention. That was another time.

. His latest project was to put a torch of freedom in West Berlin that can be seen for 15, 20 miles, something like that--10, 15 miles.

. Q Do you recall meeting with him in your office on more than one occasion?

. A Oh, yes. I would say three or four times.

. Q Were any of those three or four times in 1985 or 1986?

. A I wouldn't want to put a special date, a specific date, because I just don't remember. I can't tie a meeting to a date.

. Q Have you ever met with Mr. Channell in any location other than Dallas or your ranch?

. A Yes. I have seen him here in Washington a couple of times.

. Q You believe a couple of times?

. A Yes. I would say at least twice. He had a meeting at the Hay Adams Hotel one time, and I attended that. And then I attended a different time, I believe a luncheon over in the Senate building or the House building--I am not sure which. That probably goes back to NCPAC and--

. Q Other than the meeting at the Hay Adams and the lunch in the Capitol, what other occasions do you recall meeting him in Washington?

. A I just don't--there might have been another similar kind of occasion. I can't recall for sure just when or what the meeting was about.

. Q Have you spoken with him on the telephone from time to time?

. A Yes. He calls on the telephone occasionally.

. Q When was the last time you spoke to him on the telephone?

. A I called him a few weeks ago. I think an FBI guy wanted to come talk to me, Brian Donleavy or something like that.

. I asked him if he knew the gentleman. He said he did. Nice man. He spent he lot of time with him. I said, ''Fine, I will be glad to see him.''

. I did. I just called him just to see what he was in.

. Q Did you tell him you were going to be testifying in Washington today?

. A No.

. Q Do you know if anyone else relayed that message to him?

. A I didn't ask anybody to, and I wouldn't think any of my people did. This isn't a secret, is it?

. Q No.

. A I didn't think it was, but I didn't tell him. Last time I talked to him was before Brian Donleavy came down to Dallas or was in Dallas.

. Q Do you know Oliver North?

. A Yes, I know Oliver North.

. Q When did you first meet Mr. North?

A I believe I met him at a Council for National Policy meeting, maybe when he made a speech.

Q Do you recall Mr. North, or Colonel North, attending more than one Council for National Policy meeting?

A Yes. I believe he was at more than one.

Q How many that you recall?

A I recall two, but there could have been others.

You know, these meetings got usually 400 or 500 people, 300 to 500 anyway. It is hard to remember who all was there. I just don't keep that much contact. Some people you know; some others you don't.

Q Who introduced you to Colonel North the first time?

A Well, you pretty much shake hands, meet pretty much everyone. I don't recall. Woody Jenkins, perhaps, or somebody, but I just don't recall.

Q Other than the two occasions at the Council meetings, on what other occasions have you met with Colonel North?

A Well, I had a cup of tea with him one morning at the Hay Adams Hotel, and I believe I attended a briefing that he gave about the Nicaragua situation in the executive section of the White House, the old--it is an old building. I don't know what they call it.

Q Was that during the same visit at your tea with him at the Hay Adams or was that on another occasion?

. A I don't recall for sure. I think that may have been a different time.

. Q On what other occasions have you met with Colonel North?

. A I don't believe any others. You know, I met him four or five different times, like I say, a couple of times at the National Council meetings and a couple of times here.

. Q What year did you meet him for tea at the Hay Adams?

. A I would be speculating if I guessed. It would just be a guess. It has been a couple years ago, something like that.

. Q Was it in 1986?

. A I don't think so.

. Q 1985?

. A It could have been, but I just don't recall.

. Q And what year did you attend the briefing at the Executive Office Building?

. A I don't recall that specifically. I think Channell would know. He was there for the breakfast or for the tea.

. Q Let's--

. A Perhaps he would know. I don't know.

. Q Let me direct my questions to the tea at the Hay Adams. You indicated you, Colonel North, and Mr. Channell attended. Was there anyone else present?

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A Yes, there were a couple fellows, but you know, I don't recall their names. One of them was in the--has a financial newspaper, and there was another fellow, but I am not sure who it was. I am bad with names.

MR. MCGOUGH: Did you say one ran a financial newspaper or was in a financial newspaper?

THE WITNESS: I think this fellow actually owns some kind of financial newspaper. That is what I was told.

BY MR. FRYMAN:

Q And was this a breakfast meeting?

A No. We just had--it was about breakfast time, maybe 8:30, 9:00 o'clock in the morning, but as I recall, we didn't have any breakfast. We just had tea.

Q Who arranged this meeting?

A I believe Channell. Yes, Channell did, definitely.

Q How long did the meeting last?

A Oh, seemed like 30 minutes to--possibly as long as 45 minutes or an hour, in that neighborhood.

Q What subjects were discussed?

A Oh, they talked about Nicaragua, in general, and the contra effort in Nicaragua, whether they were really doing any good, that type of thing.

Q Was there a discussion of the needs of the Freedom Fighters in Nicaragua?

A From North, no. I don't recall North ever making

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any request for funds at all, not in my presence, anyway. Perhaps Channell, yes. Channell would talk about the need for help for them.

. Q Apart, Mr. Hunt, from a request for funds, did Mr. North or Colonel North describe any shortages or needs of any sort that the resistance fighters had at that time?

. A I don't know when, but at one time he did say that the Russians had this terrific helicopter that was described as virtually a flying tank and that the helicopter was very tough and they had furnished--the Russians had given 12 or 15 of them to the Nicaraguans or were furnishing them and that the contras didn't have any anti-aircraft weapon to go against this helicopter. And he said they need that, but he didn't, you know, ask for funds or ask me to do anything about it.

. Q Any other types of weapons that he specified that were needed?

. A No, I can't recall.

. As a matter of fact, I asked him--I do recall asking him about weapons. He said, ''Well, the best thing to do is, in guerrilla fight, that you get your weapons from the other side,'' so, therefore, you use their ammunition and in that way--for instance, if you brought American weapons into Nicaragua, you couldn't use the Nicaraguan weapons or Russian meetings or Czechoslovakian, I think, and you couldn't use their ammunition, their bullets in the American built guns.

So, what you want to do is get--steal them from them.

So, that is sort of standard in any guerrilla fight or freedom fight where you were trying to oust the other side. You try to get their weapons and oust them with their own weapons.

. Q Did he mention purchasing Soviet or East bloc weaons?

. A Not to me, no, or not in front of me.

. Q With respect to the anti-aircraft weapon in opposition to the helicopters, did he specify any price for such weapons?

. A No, not to me.

. Q What did Mr. Channell say in connection with Colonel North's comments about the weapons?

. A I don't recall Channell saying anything. Channell is not a very specific kind of person, and I don't recall him saying anything about it.

. Q Were you asked to make a contribution after this breakfast meeting?

. A No, I don't believe so.

. Of course, Channell--you can't be around Channell very long without him asking for a contribution for something, but--which, of course, I did make a contribution to his foundation; but I don't tie it to this breakfast, though.

. My lawyer--I don't know whether he wanted me to interject this or not--but he reminded me that the FBI guy told me that I did have dinner at the Dallas Petroleum Club with Channell and North at one time. I didn't remember it, and I still don't remember it, anything about the dinner, but Channell, I believe, did testify to that, according to the FBI fellow, that I did have dinner with North at the Dallas Petroleum Club, and Channell.

. Q But you do not recall that dinner?

. A Well, you know, I faintly do, but I am not positive.

. Q Do you recall anything that was said at that dinner?

. A No, I don't. I have no recollection of it, really.

. Q Now, you mentioned another occasion with Colonel North where you attended a briefing; is that correct?

. A Yes.

. Q When was that?

. A You know, I can't recall. It was at the old office building or something connected with the White House.

. Q How large a group attended that briefing?

. A It looked like there were about 20 people here.

. Q Did you know anyone else?

. A Well, I knew two or three of them.

. Q Who did you know?

. A I believe Ellen Garwood may have been there, but she may not have been. But--you know, I would be speculating if I gave you the names. It seemed like there were two or three people there that I had met before.

. Q How long did this briefing last?

. A I would say 30, 45 minutes.

. Q Who spoke other than Colonel North?

. A I don't know whether there was anyone there besides North or not.

. Q What did Colonel North speak about?

. A Well, it was sort of an update of the military situation that the Russians were building an airport there where they could fly planes straight from Russia, and they had, I think, three-mile runways, very heavily built runways, and could line these planes, Russia, and fly back to Russia.

. It was one of the larger kind of military airports that was being built in the world or in existence in the world.

. Q Was there any discussion of military activity in Nicaragua?

. A No.

. You know, I don't recall anything specific other than a discussion about that airport.

. Q Were any slides or projections of any sort shown?

. A I think he showed an aerial photograph of the airfield.

. Q Were you asked to make a contribution either before, during, or after this meeting?

. A Not at that meeting.

. I think later, perhaps later that evening there was a dinner at the Hay Adams Hotel at which two or three of the--at least one or two of the Nicaragua contra people were there, I believe, including Adolfo Calero. I think they said that they needed contributions, yes.

. Q Was Colonel North at the dinner?

. A No, I don't believe he was there. I don't recall seeing him there.

. Q Going back to the briefing, were there any questions to Colonel North at the briefing?

. A I don't recall that there were. Like I say, there were 20 people in there, approximately 18 to 20 people, something like that. There might have been somebody asked a question or two, but I don't recall.

. Q Was the format basically a presentation by Colonel North?

. A I would say so.

. Q It was not a question and answer session?

. A That is the way I recall it.

. Q At that briefing, did Colonel North make any statement to the effect that there are certain matters that, ''We can't discuss on this side of Pennsylvania Avenue''?

. A I don't recall him saying that. I don't know what you would mean by ''this side of Pennsylvania Avenue.'' But I don't recall him saying that. He might have, but I have no recollection of it.

. Q The dinner that evening at the Hay Adams, you said Mr. Calero attended and you believe Colonel North did not attend?

. A That is my recollection.

. Q Did Mr. Channell attend?

. A Yes, he was there.

. Q Did Richard Miller attend?

. A He could have. I am not sure who Richard Miller is. I don't believe I know him--may have met him, but I don't recall him.

. Q Who else do you recall attending that dinner?

. A Oh, there must have been 40, 50 people, but I don't recall anybody. I was by myself, as I recall. I don't recall who else was there.

RPTS DOTSON

DCMN GLASSNAP

[10:30 a.m.]

BY MR. FRYMAN:

Q Was there any request for contributions during the dinner?

A Yes. Ca~~e~~l~~l~~ero spoke and a few others, Nick Robert, whatever.

Q What reasons were given as to why it was needed?

A To feed them and shelter them.

Q They said they needed weapons?

A They didn't say anything about weapons.

MR. FRYMAN: Why don't we adjourn for just a couple minutes.

[Recess.]

BY MR. FRYMAN:

Q Mr. Hunt, have you ever met Elliott Abrams?

A I don't place that name.

Q I am referring to the Assistant Secretary of State for Latin American Affairs.

A I don't believe so.

Q Have you ever met President Reagan?

A Yes, I have met him.

Q On how many occasions?

. A Oh, I have been with a group of maybe 15 or 20 on two or three occasions. I was at the White House for dinner one time at the White House. I met him once in his office at the White House.

. Q So is it your recollection that you have met with him a total of approximately five times?

. A Maybe five or six or seven, but they were all in group meetings, really, you know, except for the one time.

. Q What was the occasion when you met in his office?

. A Channell asked me if I would like to, when I was going to be in Washington, if I would like to stop by and meet the President, and I said, ''Sure, I would be delighted.'' That was the time.

. Q Did this meeting follow a contribution that you made to one of Mr. Channell's organizations?

. A Well, I had contributed to Channell's organizations in the past and previously.

. Q What was the approximate time of this meeting with the President in his office?

. A I would say 10 minutes.

. Q Did this occur in 1986?

. A Again, I am not real sure of the timeframe. I just lose track of meetings. I expect it may have been early 1986 or late 1985, somewhere in that neighborhood.

. Q Who else was present other than you and the

President?

A I hate to admit it, but there was a fellow there, and I didn't--I can't recall his name. He seemed to be a friend of the President's.

Q Was Mr. Channell present?

A No, he wasn't.

Q Was the other person an employee at the White House?

A No, I think he had--he told me he had been with Reagan, President Reagan, back when he was Governor of California, and maybe he was with the President for a year or two after he became President here, but he was no longer with the Government. I think he was sort of in the public relations field, or something along that line, here in Washington.

Q Was this person Mr. Nofziger?

A No, it wasn't Nofziger.

Q Was it Mr. Deaver?

A It wasn't Mr. Deaver. I know both of them. I had never heard his name before; otherwise, I think I could have remembered it.

Q Was it Mr. Rowland?

A I don't know.

Q What subjects were discussed during your meeting with the President?

. A Well, it was shortly--as a timeframe, I can tie it down--it was within a month or so of the bombing of Libya. We talked mostly about Libya, because I had been in Libya as an oil concession holder for 15-20 years, and I have been all over Libya, looking at geology and exploring for oil, and we talked, I gave the President my impressions of Libya. I told him if he sent a couple companies of Marines along, or Army along with the bombers, I think everybody in Libya would have jumped on the band wagon.

. Q Was there any discussion of Central America during this meeting?

. A No, there really wasn't. The President said he had heard that I had been helpful and various things, and he wanted me to know he appreciated it, and I responded.

. Q What did you understand that he meant when he said he heard you had been helpful?

. A I don't know, I would be speculating.

. Q Was this in relation to contributions to Mr. Channell's organizations?

. A He didn't specify, but perhaps that may have been.

. Q Yet you recall him saying in substance he heard that you had been helpful?

. A I think he said something like that, yes.

. Q And he expressed his appreciation for this?

. A Yes.

. Q Was there any mention at all of Nicaragua?

. A No, I don't recall any specific mention of Nicaragua.

. Q Any reference at all to Central America in any way?

. A No. As a matter of fact, I sort of regretted it after I got out. I was thinking, ''Why did I talk about Libya? I am not in Libya any more, and Libya is sort of water out of the dam, why didn't I ask him about Nicaragua?'' But I really didn't get into it.

. Q What did you want to ask him?

. A What he thought about it and so forth.

. Q Now, you mentioned that you also attended a dinner at the White House.

. A Oh, yes. That was some years ago. The President of Sri Lanka and his wife were there, and I don't know how I came to be invited, but I was. I really didn't want to go, but my wife said, ''We had better go, you may never get invited again.'' I said, ''You are probably right, we probably won't get invited again. If you really want to go, I will go.''

. Q Was this dinner prior to 1985?

. A It seems like to me it was several years ago. You know, three or four years ago.

. Q Now, you also said you have met with the President in small groups on two or three other occasions?

. A Yes. Small or large. And I met him when he was actually campaigning for President back ten years ago now, I guess.

. Q Other than your meeting in his office that you have described, have you had any other meeting with the President at any time during the last three years?

. A I believe I am a member of an organization, Citizens for America, and I believe sometime Lou Lehrman and about seven or eight other members, who were members of that organization, met with him.

. Q When was that?

. A I think that would have been back in 1983 or 1984.

. Q What was the purpose of that meeting?

. A I think just a good-will proposition. The organization, Citizens for America, was a strong supporter of President Reagan in his re-election efforts, and Lou Lehrman arranged a meeting, and not much was said, just more shaking hands than anything else.

. Q Was Central America discussed at all?

. A No.

. Q Do you have any official position in Citizens for America?

. A No, other than contributor.

. Q You are not a board member?

. A I don't believe so. I don't recall--if I am a board member, I don't recall ever being at a meeting.

. Q Mr. Hunt, have you ever made any payments of any kind related in any way to Nicaragua?

. A Not specifically. I have given, I think, something to Woody Jenkins refugees fund, and I contributed to ''Spitz'' Channell's foundation, and that was to help the Nicaraguan Freedom Fighters.

. Q Any other contributions or payments of any sort other than to Channell and Jenkins?

. A I don't believe so. I don't think--did I bring copies of--

. MR. IRWIN: Can we go off the record?

. [Discussion off the record.]

. THE WITNESS: You asked about Singlaub earlier. I think I perhaps may have been solicited once by mail or something about General Singlaub, but I don't recall ever contributing. If I did, it wasn't much.

. BY MR. FRYMAN:

. Q Other than Singlaub, the Channell organizations and Mr. Jenkins' organization, do you recall any other contributions or payments of any sort?

. A No, I don't.

. Q Now, directing your attention to the contribution to Mr. Channell, what prompted that contribution, or contributions?

. A Channell said they had a lot of unpaid bills, and the Freedom Fighter effort was, I think, having problems trying to pay bills. So I told them I would make a contribution.

. Q When he referred to unpaid bills, you understood that to be unpaid bills of the Contras, not Mr. Channell's organization. Is that correct?

. A That was my impression, yes.

. Q Did anyone else speak to you about a contribution to his organization other than Mr. Channell?

. A No, no.

. Q How many contributions did you make?

. A I believe I made two. I think I made one at one time plus a loan, and then I later made the second contribution.

. Q Now, did you make the first contribution and the loan in response to his request for funds to meet unpaid bills?

. A Yes.

. Q And what did he say these were unpaid bills for?

. A Food and shelter, medicine, just general expenses of the Contras. He said he was raising money helping--raising money for the Contras.

. I recall asking if they were paying salaries for anybody, are you going to pay them to fight? He said, no, they got no salaries. They got no pay or no salaries. All they did was feed them and try to help them.

. Q Did he speak about the need for weapons?

. A No, Channell never did to me.

. Q Any mention of weapons at all?

. A I think I asked him, ''What about weapons?'' And he said they had enough, they could steal them or they were being given to them by the people on the other side, the Sandinistas. No charge to them.

. Q Did you ask him about these missiles for the Russian helicopters?

. A I don't recall ever talking to Channell about that.

. Q Now, you say you made a contribution and a loan, and then you made a second contribution.

. A Yes.

. Q First, was the loan repaid?

. A Yes, it was.

. Q What then prompted the second contribution?

. A Well, they still needed money at a later period of time, so I decided to go ahead and make the second contribution.

. Q Did Mr. Channell call you again?

. A I believe he did, yes.

. Q Now, these contributions that you just described, they were made through your law firm, were they not?

A Yes.

Q What was the reason for that?

A Well, I preferred not to read my name in the Washington Post or other liberal media, and so I decided to make the contributions through the law firm.

Q Did Mr. Channell suggest that the contribution be made in that manner?

A No.

Q That was your idea?

A Yes, it was.

Q Have you made other contributions through your law firm?

A I don't recall that I have.

Q Why did you believe there was a greater risk of publicity as to this contribution?

A Well, I thought the Foundation would have to report the sources of their contributions. I could be wrong about this, and I preferred not to put my name up at that time.

Q Now, you mentioned the original contribution was accompanied by a loan, is that correct?

A Yes.

Q What was the reason for the loan?

A Well, they needed the money, so I told them I would contribute an amount, and I would loan them the money.

Q Now, you said the loan was repaid, is that correct?

. A I believe so, yes.

. Q Now, shortly after the loan was repaid, did you make a second gift in approximately the same amount as the loan repayment?

. A Yes, I did.

. Q What was the reason for that?

. A That was the way to make the second contribution. I was hoping they would raise the money from somebody else, but they didn't, so I went ahead and contributed the second amount.

. Q You mentioned earlier that you knew Ellen Garwood?

. A Yes, I have met her.

. Q Were you aware that she was a contributor to Mr. Channell's organization?

. A At some point in time, I think I heard that she was, yes.

. Q Do you know a John Ramsey?

. A I don't place him. Where is he from?

. MR. MC GOUGH: Wichita Falls, Texas.

. THE WITNESS: I have probably met him, but I really can't place him.

. BY MR. FRYMAN:

. Q You don't recall any meetings or discussions with Mr. Ramsey?

. A No, I never recall speaking to Mr. Ramsey, no.

. Q What other persons do you know contributed to Mr. Channell's organizations?

. A I never did ask him who else was contributing, and he didn't tell me.

. Q Do you know anyone else in Texas who told you that they were making contributions to any of Mr. Channell's organizations?

. A No, I don't know anyone. As a matter of fact, I am not sure. I think I just read about Ellen Garwood in the paper, that she had contributed to Channell's organizations. So I had never heard it from Channell or her, but I did read it in the paper, so I assume maybe there is some validity to it.

. Q Do you know of anyone else who has contributed money or made any payments for the purpose of weapons for use in Nicaragua?

. A I didn't make any contributions for purchase of weapons, and I don't know of anyone else that has.

. Q Going back to the second contribution that you referred to that occurred approximately the same time as the repayment of the loan, why was the amount of that contribution closely related to the amount of the loan repayment?

. A No specific reason, except that Channell said they still needed money, he was unable to raise money, and I just offhandedly said I will just make the loan a contribution, so that was the way it occurred.

MR. FRYMAN: If we could go off the record.

[Discussion off the record.]

MR. FRYMAN: Let me go back on the record.

I ask the reporter to mark as Hunt Deposition Exhibit 1 for identification a subpoena of the House of Representatives issued April 13, 1987, directed to Nelson Bunker Hunt, together with an attached schedule and appendix.

.[The Following Document was marked as Hunt Exhibit 1 for Identification.]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q I show you Hunt Exhibit 1 for identification. That is a copy of the subpoena that you were served with, is it not?

A Yes, it is.

Q And you are appearing here today pursuant to that subpoena?

A Yes, I am.

MR. FRYMAN: I would also just note for the record prior to the commencement of the deposition, I provided to Mr. Hunt's Counsel, Mr. Irwin, a copy of the resolution establishing the Select Committee of the House of Representatives and a copy of the rules of the Select Committee.

I ask the reporter to mark as Hunt Exhibit 2 for identification a group of documents which have been produced by counsel for Mr. Hunt. The documents are numbered H.R. 1 through H.R. 325.

There is also one page which is not numbered, which is an article from the Wall Street Journal, dated August 23, 1985, headed, or with the headline ''Taking the Sandinistas at Their Word.'' The exhibit consists of the documents that were produced. There have been placed certain tabs on certain of the documents, and those tabs are not part of the exhibit.

[The Following Documents were marked as Hunt Exhibit 2 for Identification.]

********** COMMITTEE INSERT *********

RPTS DOTSON

DCMN DANIELS

BY MR. FRYMAN:

Q I show you and your counsel Hunt Exhibit 2 for identification and I ask you to confirm that that is the documents that you have produced in response to the subpoena of the House of Representatives.

MR. IRWIN: Off the record.

[Discussion off the record.]

THE WITNESS: Yes.

MR. IRWIN: That is what we produced.

BY MR. FRYMAN:

Q After the receipt of the subpoena that is Deposition Exhibit 1, did you direct that a search be made of your files for all of the documents called for in the subpoena?

A Yes. That is the standard form. We try to turn it over to our leader, in-house counsel, and he is always instructed to fulfill whatever the requests are.

Q And is it your understand that Hunt Exhibit 2 for identification consists of all the documents in your files that are called for by the subpoena?

A Yes, as far as I know. Nothing was withheld as far as I know.

MR. FRYMAN: I now intend to mark as additional exhibits certain specific pages which are a part of Hunt Exhibit 2 for identification.

I ask the reporter to mark as Hunt Exhibit 2-1 for identification a request for check dated September 17, 1985, which is identified as Exhibit HR-36.

[The following document was marked as Hunt Exhibit No. 2-1 for identification:]

********** COMMITTEE INSERT *********

. MR. FRYMAN: I ask the reporter to mark as Hunt 2-2 for identification a copy of a check dated September 17, 1985, No. 1042725, which is marked Document HR-37.

. [The following document was marked as Hunt No. Exhibit 2-2 for identification:]

********** COMMITTEE INSERT *********

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-3 for identification another request for check dated September 17, 1985, which is marked Document HR-46.

[The following document was marked as Hunt Exhibit No. 2-3 for identification:]

********** COMMITTEE INSERT *********

UNCLASSIFIED

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-4 for identification another check dated September 17, 1985, numbered 1042726, which is a document marked HR-47.

[The following document was marked as Hunt Exhibit No. 2-4 for identification:]

********** COMMITTEE INSERT *********

UNCLASSIFIED

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-5 for identification a request for check dated September 27, 1985, which is marked Document HR-48.

[The following document was marked as Hunt Exhibit No. 2-5 for identification:]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, I would ask you to look at Hunt Exhibits 2-1, 2-2, 2-3, 2-4 and 2-5, for identification. I ask you first to direct your attention to the two checks, which are 2-2 and 2-4.

One is Check 1042725 and then No. 2-4, which is 1042726.

Each of those checks is in the amount of $237,500.

Now, are those the checks to your law firm that were to be the source of funds for a contribution and a loan to Mr. Channell's organization?

A Yes, they were.

Q Now, what was the reason for choosing the amount $237,500?

A I believe it totals $475,000, and I believe that was the amount that Channell said they needed to get up on all their past-due bills and what not.

Q Is it your recollection you gave him what he asked for?

A Yes. Half of it was a contribution and half was a loan, as I recall.

Q Now, Exhibits 2-1, 2-3, and 2-5 for identification are requests for check forms; are they not?

A Yes, they are.

Q And are they all signed by you?

A Yes, they are.

Q Now, Exhibit 2-5 is a request for check dated September 27, 1985, for $237,500. That date is after the date of the checks which are Exhibits 2-2 and 2-4.

Do you know if that request relates to another check, Mr. Hunt?

A No, it doesn't relate to another check. It was just one of those things that checks got prepared before the request.

Q On Exhibit 2-5, I direct your attention to the information that apparently has been stamped in some way on that form which appears to be 9-17-85, AFP.

What does that represent?

A I am not sure. I am sure the 9-17-85 would refer to the date; perhaps the date of the check. AFP, I don't know--do you know what that is?

MR. IRWIN: No.

BY MR. FRYMAN:

Q Did you sign each of Exhibits 2-1, 2-3, and 2-5?

A Yes, I signed all three.

Q Is it possible that 2-1 and 2-3 are two copies of the same request form?

A This one and this one?

Q No, this one and this one.

A Well, I guess it is possible, but it does have a different date

MR. IRWIN: No, he is talking about--excuse me--the ones that are the same date, may be the same.

THE WITNESS: What was the question?

BY MR. FRYMAN:

Q What I am really interested in determining, and maybe I asked the question the wrong way: Were there two separate checks for $237,500 that are represented by the two requests for check forms which are Exhibits 2-1 and 2-3?

A Well, I sent two checks, as I recall, to Channell's foundation for the same amount, and my recollection was that one was a contribution, one was a loan at that time.

I don't know whether that answers the question or not, but that is my recollection of it.

Q All right.

So while there are three requests for check forms, your recollection is that you had prepared two checks?

A I think I asked Irwin to do that, yes, to make the contribution of two checks, and I assume that is what we did, we sent them two checks.

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-6 for identification a check to Mr. Hunt for $237,500, which is marked Document HR-56.

[The following document was marked as Hunt Exhibit No. 2-6 for identification:]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, I show you Exhibit 2-6 for identification and ask you to identify that document.

A You asked me to identify it?

Q Yes.

What does that check represent? What do you understand that represents?

A Well, it is a check from Shank, Irwin to myself for $237,500.

Q Do you understand that as the repayment of the loan from Mr. Channell that you referred to?

A I believe it was, yes.

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-7 for identification a check dated March 13, 1986, which is Document HR-50.

[The following document was marked as Hunt Exhibit No. 2-7 for identification:]

********** COMMITTEE INSERT *********

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-8 for identification a request for check dated March 14, 1986, which is marked Document HR-51.

[The following document was marked as Hunt Exhibit No. 2-8 for identification:]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, I show you Exhibit 2-7 for identification, which is a check from you to the law firm for $237,000, and I ask you what that check represents.

A Well, it is a payment from me to the law firm of $237,000, which I think was a request for them to make a second contribution to Channell's foundation.

Q And I show you Exhibit 2-8 for identification. Is that the request for which you prepared that led to the issuance of Exhibit 2-7?

A Apparently so, yes.

Q Does that contain your signature?

A Yes, it does.

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-9 for identification a check dated July 16, 1985, for $10,000, which is Document No. HR-39.

[The following document was marked as Hunt Exhibit No. 2-9 for identification:]

********** COMMITTEE INSERT *********

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-10 for identification a request for check dated July 15, 1985, which is Document No. HR-40.

[The following document was marked as Hunt Exhibit No. 2-10 for identification:]

********** COMMITTEE INSERT *********

. MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-11 for identification a document with some printed information and some handwriting which is marked as Document HR-41.

. [The following document was marked as Hunt Exhibit No. 2-11 for identification:]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, I show you Exhibits 2-9 and 2-10 for identification.

Is Exhibit 2-9 a check for $10,000 which you had made payable to the National Endowment for the Preservation of Liberty?

A Yes. That is correct.

Q And is Exhibit 2-10 the request for check form that led to that check?

A Yes, it appears so.

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. Q And is Exhibit 2-10 signed by you?

. A Yes.

. Q This contribution in July 1985 was made by a check drawn on your own account, was it not?

. A That is correct.

. Q And the contributions we have talked about earlier were made through your law firm and not on your own account?

. A That is right.

. Q What was the reason for the change?

. A Well, the larger amount--didn't want to have the publicity on the larger amount.

. Q I show you Exhibit 2-11 for identification. Does that contain your handwriting?

. A Yes, it does.

. Q What does the handwriting state?

. A It says ''National Endowment for the Preservation of Liberty Foundation, 10305 4th Street, N.E., Washington, D.C.''

. Q What do you recall about making that note?

. A I don't have a recollection.

. Q What is the note written on?

. A It is written on an invitation that my wife and I gave a party for a couple of people in Dallas. My secretary has a habit of using those up as sort of note pads. She must have given that to me as something to make the note on.

Q So, the fact that the note is on that invitation does not necessarily mean that you made the note either at the event reflected on the invitation or some other event in connection with that matter?

A No. It has no connection with it at all. This was a social affair that we--my wife and I had for [redacted] and [redacted], and this could have been a year later. Just used the same--as I say, my secretary hates to throw those things away. She keeps them around and uses them as note pads.

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I am surprised I put that on there. Must have had some of them laying on my desk and did it while I had it handy, before I might have forgotten what I was supposed to do.

Q Mr. Hunt, I am going to show you a group of pages of the documents which your counsel produced which are marked numbers HR-57 through HR-86.

I am not going to mark these as separate sub-exhibits, but I would like you to look at these pages which appear to be pages from your daily calendar. And I would like you to identify for the record and read into the record entries on each of those pages that relate to the subpoena.

MR. IRWIN: Let's go off the record.

[Discussion off the record.]

MR. FRYMAN: Let's go back on the record and explain what these are.

BY MR. FRYMAN:

Q Mr. Hunt, looking at the pages which I have shown you, can you, first, describe to me what those pages are?

A Well, they appear to be photostatic copies of appointment books. They appear to have dates on them. They are photostat copies of my secretary's appointment calendar or--what you would call an appointment calendar.

Q These are not records that you maintained yourself?

A No, I don't.

Q Have you seen these before?

A No, I haven't.

Q Mr. Hunt, I show you the page marked HR-69 from your secretary's calendar, and I direct your attention to the entry for June 27, 1985, which apparently has a reference to Spitz Channell, Washington meeting, 7:00 o'clock, and the White House.

Does that refresh your recollection about the time or details of any meeting that you had in Washington?

A Well, I see the--I see it on the calendar. I don't associate the date, June 27, 1985. I don't recall anything with reference to that date.

It might have been I was invited up here but didn't come, or it might have meant that I did come. I just don't know. But I would say it is one or the other, either I was invited and came or I was invited and didn't come.

. MR. MCGOUGH: That just about covers all possibilities.

. THE WITNESS: In other words, I don't think she was invited.

. MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-12 for identification a document marked HR-186, which is a letter from Oliver North dated January 24, 1986.

. [The following document was marked as Hunt Exhibit 2-12 for identification:]

********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, I show you Exhibit 2-12 for identification and ask you if that is a letter that you received from Colonel North?

A Yes, apparently so.

Q Do you recall receiving other letters from Colonel North?

A No.

As a matter of fact, I never read that before yesterday. My lawyer showed it to me, and the reason I am sure I didn't read it, I always initial in the upper right-hand corner anything I read, and so I didn't initial it.

I am sorry I didn't read this at the time it came in. I missed it.

Q What is the word written in the upper right-hand corner?

A Seems to be ''appreciation.''

Q Do you know who wrote that?

A I think probably my secretary. If not my secretary, the secretary that read the letter when it came in.

Q Is there some procedure for screening mail for you?

A Well, my secretary opens all the mail, and I guess she divides it up into something that I need to answer or don't need to answer. And I gather what must have happened on this one--because I haven't seen it before--was that since it was ''appreciation'' it didn't really call for an answer.

. It was setting in the stack, and I never saw that stack of my mail. I am sorry I didn't.

. Q Do you recall receiving letters from President Reagan?

. A No.

. Well, I got a Christmas card from him, but I don't recall ever getting a letter of this type, thanking me for my contribution.

. MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-13 for identification a memorandum of a telephone call which is document HR-246.

. [The following document was marked as Hunt Exhibit 2-13 for identification:]

*********** COMMITTEE INSERT *********

BY MR. FRYMAN:

Q Mr. Hunt, if you would look at Exhibit 2-13 for identification and tell me if you saw that telephone message or if you have seen it before.

A My lawyer tells me that this--I have never seen it before, that this actually came from Tom Whittaker's files. Whittaker works for us in the Dallas office and handles sort of the public relations.

Apparently, somebody that was at the newspaper called him and I never really heard about it. It is the first time I have seen it.

Q Do you know who Judy Vance is?

A I don't know. She might be a reporter from the Dallas Times Herald.

Q Do you recall anyone mentioning to you a very sensitive matter that was related in any way to a call from Judy Vance?

A No. No, I don't.

MR. IRWIN: Let me go off the record just for a second.

[Discussion off the record.]

MR. FRYMAN: I ask the reporter to mark as Hunt Exhibit 2-14 for identification a telephone message which is identified as document HR-247.

[The following document was marked as Hunt Exhibit

2-14 for identification:]

*********** COMMITTEE INSERT **********

BY MR. FRYMAN:

Q Mr. Hunt, I ask you to look at Exhibit 2-14 for identification and tell me if you have seen that document before?

A I don't recall whether I have seen it or not. It was a phone call message. That is the way my phone calls are marked, and I average about 25 a day.

Frankly, I don't have time to return a third of them, and so the others sort of get lost in the shuffle. I guess this is one that I didn't return.

Q Do you recall any conversation with the person from the Dallas Morning News referred to on that message slip?

A No, I didn't speak with her.

Q Who is Bert Hurlbert?

A Bert Hurlbert is a fellow who lives in Austin, Texas who is a conservative. Apparently, he called. It might have been about the same time, maybe about the same matter. I don't know. I didn't talk to him either at that time.

Q Mr. Hunt, I will not ask the reporter to mark as Exhibit 2-15 for identification the following pages from the documents that you produced: HR-53, HR-54, HR-213, HR-214, HR-272, and HR-273.

[The following document was marked as Hunt Exhibit 2-15 for identification:]

********** COMMITTEE INSERT *********

MR. FRYMAN: Each of these documents or each of these pages is identified as reflecting contributions from the N.B. Hunt and Caroline L. Hunt federal income tax return schedule 36-1.

BY MR. FRYMAN:

Q Mr. Hunt, I ask you to look at Exhibit 2-15 for identification and tell me if each of the amounts and dates reflected on those pages indicate contributions which you made to the organization indicated?

A I don't see any dates on the contributions, when they were made. All I see is--oh, yes. It says for the year ending--year ending 1981, year ending 1982, year ending 1985, year ending 1986, 1984, 1987. I assume those dates are about--of the year the contributions were made are correct.

Q Is it your understanding that you made a contribution for each of the entries reflected on those sheets?

A I believe so.

Here it shows--you have two different--one for the House of Representatives Committee and you have one for the District Court subpoena, David Zarnoff. I assume that is the same contribution. That just answered the subpoena.

The others don't seem to be duplicates. I assume maybe the first one is.

Q So pages HR-53 and HR-54 are duplicates of the same contribution for $85,000 is your understanding?

. A I would think so. I don't recall making that much of a contribution.

. Q Who prepared these schedules?

. A They were prepared in our office, I guess under the instructions of Walter Gross.

. Do you know anything further?

. MR. IRWIN: No, I don't. I know the accounting people were called in. They probably did the schedules at Walter's request.

. BY MR. FRYMAN:

. Q I have not noted in the papers that you produced any similar schedules for the contributions to the National Endowment for the Preservation of Liberty that we have discussed, particularly the contribution of $237,500 and the contribution of $237,000.

. Do you know how those contributions were handled on your tax returns?

. A No, I don't. I didn't give them any instructions on those, and so I don't know how they were handled. Unfortunately, I don't need the deductions, so--I need some of the opposite of deductions. I guess it was of no importance to me.

. Q The contribution for $237,500 which you made to Mr. Channell's organization in September of 1985, was that the

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largest charitable contribution you made in 1985?

. A It was the largest contribution I made. I don't know whether we claimed it as a charitable contribution or not.

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Q No, I wasn't ask the tax treatment.

A Yes.

Q Was that the largest contribution you made in 1985 or the largest donation you made to anything?

A To anything?

Q To anything, yes.

A I don't know. I really--as I sit here, I am not sure. It may have been, but it may not have been.

Q Were there any other donations as large or larger that were made to any political organizations in 1985?

A No, I don't know of any.

Q And by political organization, I mean any organization that would be involved in any way in policy matters or activities in Central America. I would include that type of organization.

A I don't believe so. No. I don't believe I made any sizable contributions of that type.

MR. FRYMAN: I have no further questions.

Mr. McGough of the Senate may have a few questions.

MR. McGOUGH: I probably have just 15 minutes. Do you want to take a brief break and maybe make a brief call over there?

MR. IRWIN: We can do without lunch. I think we would rather just go.

MR. McGOUGH: If you want to go?

MR. IRWIN: Can we take a five-minute break?

[Brief recess.]

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q For the record, Mr. Hunt, I am Tom McGough. I am Associate Counsel for the Senate Select Committee. A copy of our subpoena was forwarded to Mr. Roach, your counsel, who forwarded it, I suppose, to Mr. Irwin this morning, the records in response to that subpoena. I appreciate that.

My questions to you will be a little bit more scatter-gun, I think, than Mr. Fryman's. Most of them are in the way of follow-up sorts of questions. Excuse me for a little bit of a lack of organization.

In regard to the Channell organization, did you or--did you or any member of your family or business organization ever receive funds for transmittal to a Channell organization; that is, did you ever act as an intermediary for any funds?

A No.

Q As far as the Channell organization goes, you mentioned that--I think it is fair to say your principal contact was with Mr. Channell?

A That is right.

Q To your recollection, did you have any other contact with anybody else at the organization, a Mr.--I can give you some names: a Cliff Smith?

A I have met one or two--at least one other fellow, a younger fellow, and it may have been Cliff Smith. I am not positive about the name.

Q Did you have any dealings, any significant dealings with anyone other than Mr. Channell?

A No, I didn't.

Q Did you ever meet anyone from an organization called International Business Communications, IBC, as opposed to IBM?

A I don't believe so.

Q A Richard Miller, do you recall him?

A I don't recall meeting him.

Q A Frank or Francis Gomez?

A I don't place those names.

Q David ~~Fisher~~ Fischer?

A David ~~Fisher~~ Fischer? Is he with the same organization?

Q Same organization.

A I never heard the name of that organization, but the name David Fisher is not--I may have heard that name before, but I don't know just where.

Q Prior to your meeting with President Reagan, did anyone discuss with you protocol or the way in which the meeting with President Reagan would proceed?

. A Well, the fellow that took me in there, and his name might have been Fisher, now that you mentioned it. That name is faintly familiar. Maybe that is where it comes from. Is he from California originally?

. Q I am not sure I know the answer to that.

. A Anyway, he said just--President Reagan is very easy to talk to. Just talk to him about anything you want to.

. Q Did he tell you to specifically talk to him about any subjects or not to talk to him about any subjects?

. A No, he didn't--

. Q At any time before your meeting with President Reagan, did anyone instruct you not to discuss anything with him?

. A I don't recall anyone saying--making any suggestions at all along those lines. Might have, but if they did, it was very subtle, passed over my head.

. Q I believe--has anyone every mentioned to you in connection with the Channell organization something called the Toys project or the Toys account?

. A Toys, T-o-y-s?

. Q T-o-y-s.

. A Never heard of that.

. Q Has anyone ever discussed with you--again in connection with the Channell organization raising money for Toys for the children of the Freedom Fighters?

. A No. I haven't heard of that.

. Q The $237,500 loan that you made to NEPL, if I can recall it, NEPL, was that check--that check was made at the same time or approximately the same time as a check that made--of a similar amount that was a contribution; is that right?

. A That is my recollection, yes.

. Q Do you recall discussing--do you recall any documentation of the loan, that is a note or anything of the sort that would have represented that loan?

. A Seemed like there was a note. How about that?

. MR. IRWIN: Off the record for a second.

. [Discussion off the record.]

. MR. McGOUGH: Let's mark this as Hunt Deposition Exhibit 3-A and B.

. [The following documents were marked as Hunt Deposition Exhibit Nos. 3-A and 3-B, respectively, for identification:]

xxxxxxxxxx COMMITTEE INSERT xxxxxxxxx

MR. McGOUGH: Let's also mark 3-C.

[The following document was marked as Hunt Exhibit No. 3-C for identification:]

********** COMMITTEE INSERT *********

BY MR. McGOUGH:

Q Let me show you, Mr. Hunt, what have been marked as Exhibits 3-B and C for the record. 3-A and 3-C are pieces of correspondence on the letterhead of Shank, Irwin & Conant dated September 18, 1985; and 3-B is an unsecured note dated September 17, 1985, made out in the name of National Endowment for the Preservation of Liberty.

If you would take a look at those, perhaps we can get a stipulation those were provided pursuant to our subpoena to the law firm.

MR. IRWIN: Yes.

For the record, let me say that Mr. Hunt wants to cooperate in every way and is not asserting any kind of attorney-client privilege or any other privilege that might be applicable to any of this information.

But that is with the understanding he is not just generally waiving the attorney-client privilege in every litigation he is a party to. We don't want to get into that can of fish.

As far as the stipulation is concerned, yes, I will stipulate these are accurate copies of the documents produced out of Mr. Shank's files at Shank, Irwin & Conant.

BY MR. McGOUGH:

Q Will you take a look at those three exhibits, please.

I believe one of them purports to bear our signature. I believe that is 3-A, which has a line for your signature.

Is that right?

A That is right.

Q Is that, in fact, your signature?

A Yes, it is.

Q 3-B and 3-C don't really bear any signatures on them. My question is going to be have you ever seen any of the--you signed 3-A? You must have seen that.

A Yes.

Q Have you ever seen 3-B and 3-C before?

A I don't believe so.

Q Were you aware that the loan that you were making to the National Endowment for the Preservation of Liberty was to bear interest?

A I don't recall whether that was discussed or not. I think it probably was.

Q When you say was--

A That it was to bear interest. I think I told Channell the note would bear interest.

Q I believe 3-B and 3-C both reflect there is, in fact, an interest rate associated with the loan; is that right?

A Yes. They both mention 9-1/2 percent.

. Q When the loan was ultimately repaid, was it repaid with interest?

. A I don't know.

. Q Can we agree that the check--

. MR. IRWIN: Let me cut through this and tell you for the record our files do not reflect any interest was paid.

. MR. McGOUGH: There was a check marked as one of the exhibits. It was the check made out to you from Shank, Irwin & Conant, HR-56. The amount was $237,000. I think that was repayment of the loan.

. Is that your recollection?

. THE WITNESS: Yes, sir.

. BY MR. McGOUGH:

. Q Would it be safe to assume when the loan was repaid, there was not any interest paid on the loan?

. A I assume that is correct.

. Q Do you recall receiving separate payments from HEPL to Shank, Irwin & Conant that might have been on interest?

. A I don't recall receiving any.

. Q Let me ask you a couple of questions about how these check requests are prepared in your office, if I could, Mr. Hunt.

. Let me pull one out as an example. I am not going to mark this as an exhibit, but just so you have something to refer to. It is one of the ones you produced for Western Goals.

Who is responsible for preparing the request for check?

A Well, usually it is my secretary. I think that may be my signature down there. I am not sure. Looks like it anyway, a little bit.

Q Let's talk in specific regards to contributions. What--how would a contribution or a request for a check for a contribution be generated? What is the usual mechanism to go from your decision to make the contribution to something--to the request for check?

A They would go from me to probably my secretary and she would prepare the check request and I would sign it.

Q Would you give your secretary some explanation of the reason for the check request?

A I might. I usually would.

Q Then it would be prepared up for your--for someone's signature; is that right?

A Yes, usually. Usually my signature.

Q When you sign off on these requests, is one of the things that you look at the--do you determine whether or not the explanation is accurate, whether the check is accurately reflected on the request?

A When you say an explanation, you mean like--

. Q Right.

. A I think--this looks like it might have been a contribution, but I can't say. It is so bad.

. Q Let's get a better copy here.

. At any rate, there is a space on the check request for explanation of why?

. A Yes.

. Q Would it be your custom to make sure that there was some explanation on that portion of the check request?

. A Usually, yes.

. Q And that would be for the benefit of the accounting department so they would have something for their records?

. A I would say so, yes.

. Q Can we agree that that would be particularly significant in regard to large checks so that the account department would have some indication?

. A Well, possibly, yes.

. MR. McGOUGH: Let's mark as Exhibit 4-A and 4-B, HR-40 and HR-39.

. Have they been marked? I don't think so.

. Oh, they have been marked.

. Let's just look at what have been marked as Exhibits 2-9 and 2-10 which I think have been previously identified as the check requests--or the check requests and the check for the $10,000 contribution to NEPL in 1985.

Is that right?

THE WITNESS: It appears to be, yes.

BY MR. McGOUGH:

Q On that explanation on the voucher portion of check, it reads contribution, does it not?

A That is correct.

Q That is what it was? It was a contribution?

A Yes.

Q Let's take a look at HR-36 and HR-37; HR-46 and HR-47. I am just trying to compare them, if I can. Particularly you are going to be interested at this point in the requests for checks as opposed to the checks themselves. They have been identified as Exhibits 2-1 and 2-2, 2-3 and 2-4, and Exhibits 2-5 and 2-6.

There may be a duplicate here. I think, as a matter of fact, one of these--2-3 and 2-4 may be duplicate copies of 2-1 and 2-2.

Q But be that as it may, can we agree there is no explanation on any of those check requests?

A That is correct.

Q Is that--for a check of the magnitude of $237,000, would you find that surprising?

A Well, it was not a business matter. I wasn't paying the Shank, Irwin firm a legal fee. There was no reason for that. So I didn't put that on it. It wasn't a contribution to Shank, Irwin. We just left it blank. Probably should have had something on it.

. Q Let's take a look at 2-7 and 2-8 which are check requests for the March 14 contribution.

. A Yes.

. Q We can agree there is no indication on there as to the purpose of the check?

. A That is right. As far as I know, there is no law requiring that you put a purpose on there.

. Q I understand that.

. From where would these requests for checks go? I mean from your desk, where would they go, is, I guess, what I am trying to ask?

. A They would go to the cashier's office that prepares checks.

. Q And in the case of the checks actually being prepared, there is a stub there, is there not, where the amount of the check and the invoice number and that sort of thing is normally typed on in the cashier's office; is that right?

. A I don't know. I don't know whether there is a stub at all on the check.

. Q Let's look at a $10,000 check which is 2-9. That has got ''contribution, $10,000, on it; does it not?

. A Yes.

. Q Would anyone have called you from the accounting office to ask you what the checks were for? Do you recall getting any kind of questions as to what $237,000 checks were for?

. A No. These were my own personal funds. They weren't business funds.

. Q Was the $10,000 check also from your own personal funds?

. A Yes.

. Q And one of the reasons you would have put the $10,000--on the $10,000, correct the word ''contribution''--was so that at a later time your accountants would know to detect that amount; is that not right?

. A Well, perhaps yes. I guess that would be correct.

. Q And, in fact, I think according to the records that have been produced, that amount was, in fact, detected as a tax matter; was it not?

. A Well, it may have been. Frankly, a deduction doesn't do me any good. My tax losses are tremendous. So a deduction, I don't--it is really academic.

. Q One of the checks that has no purpose on it was, in fact, a loan; is that right?

. A That is correct.

. Q Was anyone within your organization, as opposed to the people at Shank, Irwin & Conant, notified that you were making a loan to NEPL?

. A I don't recall notifying them about it.

. Q Was there anything about the $237,000 contribution that led you to believe it wouldn't be tax deductible?

. A No.

. Q Was there anything about the $237,000 contribution--and I guess there are two of them--that made you reluctant to reveal those contributions to the IRS?

. A No. Like I said, I probably have a tax loss--I hate to think how much it is. You know, a charitable contribution, you can deduct 5 percent, a fairly small percentage. It just wasn't worth--then you are going to get publicity on the contribution, which I didn't want. So it wasn't worth it. I couldn't use the deduction and why do it in such a fashion that you are going to get a lot of publicity about it?

. Q Were there any other contributions that you made in 1985 and 1986 that you recall--where you recall leaving the explanation part on the check request blank?

. A No, I don't recall any others.

. Q Do you recall anyone, your secretary, or anyone in your organization, asking you what the purpose of those checks were to fill in at some point as a bookkeeping matter or out of curiosity?

. A I don't recall. They may have. I would have said it is a personal matter, just an advance.

. Q To your knowledge, did you ever receive a signed note back from NEPL, what we introduced here is a copy of an unsigned note?

. A I don't know. I don't know whether we received a signed note or an unsigned note.

. Q Did you ask for any security or collateral on the loan?

. A No, I didn't.

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BY MR. McGOUGH:

Q I believe you already said you don't recall making contributions through your law firm or another law firm at any other time; is that right?

A No, I don't.

MR. McGOUGH: Let me have this marked. This is HR-95. Let me have it marked as whatever the next exhibit is.

[The following document was marked as Hunt Exhibit No. 4 for identification:]

********** COMMITTEE INSERT *********

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MR. McGOUGH: For the record, Exhibit 4 is the deponent's No. HR-95 and it appears to be a phone message dated April 2, 19--at the top, I think it says 1987.

BY MR. McGOUGH:

Q Do you recall receiving that, Mr. Hunt?

A No, I don't recall seeing this.

Q Could you just read what the phone message says?

A It is to me from Spitz Channell, but I didn't write this. I assume my secretary did. It says, ''All contributors have been contacted reference Colonel North''--it was written April 2, 1987--''All contributors have been contacted with reference to Colonel North to basically find out what was said. Over.''

I don't really know what they are talking about.

Q Other than the one telephone conversation you discussed with Mr. Fryman, do you recall any other communications--and anything that might be represented by that phone message--do you recall any other communications to or from Mr. Channell or any of his representatives?

A No. The only time I recall talking to Channell was when I called him about the FBI man, Brian Delaney, an Irish boy out of this office, I believe here, and I just called him to ask him who this guy was and what he had in his mind.

He said, ''I know him very well. He spent a couple months with us.''

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He said, ''He is a nice fellow. Tell him whatever you know.''

. Q When was the first time you knew that Ellen Garwood had made contributions to NEPL?

. A Really, I didn't. I said I knew she had. I saw her at one of her dinners and then I heard that she gave a helicopter or something, maybe I read that in the newspaper, to the Freedom Fighters, and then I heard that--then I read it in the paper the other day that she had been a sizable contributor to the Freedom Fighters Fund.

. Q Have you ever spoken to Mrs. Garwood about Channell or the Channell organization?

. A No, I haven't.

. Q Have you seen Mrs. Gardwood since the story; let's say, since January of this year?

. A No, I don't believe I have. I don't recall. I haven't seen her in the last year, year and a half, and I think this was more recent than that that it was in the paper.

. Q Do you know Patricia Beck?

. A From Dallas?

. Q Yes, from Dallas.

. A Yes, I know her.

. Q Have you ever discussed the Channell organization with Mrs. Beck?

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. A If she is the one I am thinking of, she was the wife of Henry Beck. They are divorced now. If that is the woman you are asking about.

. MR. McGOUGH: That is all I have.

[Whereupon, at 12:40 p.m., the deposition concluded.]

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Rec
4/20/87
10:30

Subpena (Deposition)

By Authority of the House of Representatives of the Congress of the United States of America

To Nelson Bunker Hunt

You are hereby commanded to be and appear before the Select Committee ~~on~~ to Investigate Covert Arms Transactions with Iran of the House of Representatives of the United States, of which the Hon. Lee H. Hamilton is chairman, in Room H-419 of the Capitol Building ...., in the city of Washington, on April 24, 1987, at the hour of 9:00 a.m. then and there to produce the things identified on the attached schedule and to testify on deposition touching matters of inquiry committed to said Committee; and you are not to depart without leave of said Committee.

To any Select Committee staff member or U.S. Marshal to serve and make return.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 13th day of April, 1987.

Lee H Hamilton
Chairman.

Attest:

Donald K. Anderson
Clerk.

W. Raymond Colley
BY: W. Raymond Colley, Deputy Clerk

HUNT
Ex. 1
4/24/87

SCHEDULE -- Nelson Bunker Hunt

1. The respondent to this subpoena shall produce all materials pertaining, referring, or relating in any way whatever to:

a. Carl R. Channell and/or any entity with which Carl R. Channell is or was associated, including, but not limited to (i) National Endowment for the Preservation of Liberty, (ii) Channell Corporation, (iii) Sentinel, (iv) American Conservative Trust, (v) American Conservative Foundation, (vi) Grow Washington, (vii) Hill-Potomac Group, (viii) Western Goals Endowment Fund, (ix) Western Goals Foundation, (x) Anti-Terrorism American Committee, and (xi) American Conservative Trust State Election Account;

b. Richard R. Miller and/or any entity with which Richard R. Miller is or was associated, including, but not limited to (i) International Business Communications, Inc., (ii) Institute for North-South Issues, (iii) I. C., Inc., (iv) Intel Co-Operation, Inc., and (v) World Affairs Counselors, Inc.

c. Dan H. Kuykendall and/or any entity with which Dan H. Kuykendall is or was associated, including, but not limited to, the Gulf and Caribbean Foundation;

d. Robert Owen and/or any entity with which Robert Owen is or was associated, including, but not limited to (i) Institute for Democracy, Education, and Assistance, (ii) Council for Democracy, Education, and Assistance, and (iii) Institute on Terrorism and Subnational Conflict;

e. the involvement of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

f. the use of any funds that were at any time under the control of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

g. Toyco S.A., a monetary account referred to as "Toys", or any other account or entity with the word "Toy" in the name;

h. communications between Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen and White House personnel, or between any of those individuals and any third party relating to White House personnel, including, but not

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk antiaircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting doucments, and work papers relating to such record;

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If your or your counsel have any questions regarding this subpoena, please contact Thomas Fryman at (202) 225-7902.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique
Calero, Adolfo
Calero, Mario
Cameron, Bruce
Conrad, Daniel L.
Chamorro, Pedro
Cooper, William J.
Clines, Thomas
Cruz, Arturo
Cruz, Arturo, Jr.
de Senarclens, Jean
Dutton, Robert
Fischer, David
Furmark, Roy
Gadd, Richard
Garnel, Jose
Ghorbanifar, Manucher
Gomez, Francis
Hakim, Albert
Hashemi, Cyrus
Hull, John
Kashoggi, Adnan
Kimche, David
Ledeen, Michael
Lilac, Robert
Lilac, Robert
McMahon, Steve
McFarlane, Robert
F. Andy Messing, Jr.
Montes, Oscar
Nimrodi, Yaacov
Nir, Amiram
North, Oliver L.
Poindexter, John
Quintero, Rafael
Robelo, Alfonso
Robles, Rodolfo
Rodriquez, Felix aka Max Gomez
Rose, Jose Bueso
Sacasa, Marrio
Sanchez, Aristides
Schwimmer, Adolph (Al)
Secord, Richard V.
Shackley, Theodore
Singlaub, John L.
Soghanalian, Sarkis
Sommeriba, Leonardo
Wilson, Edwin
von Marbod, Erich.
Zucker, Willard I.

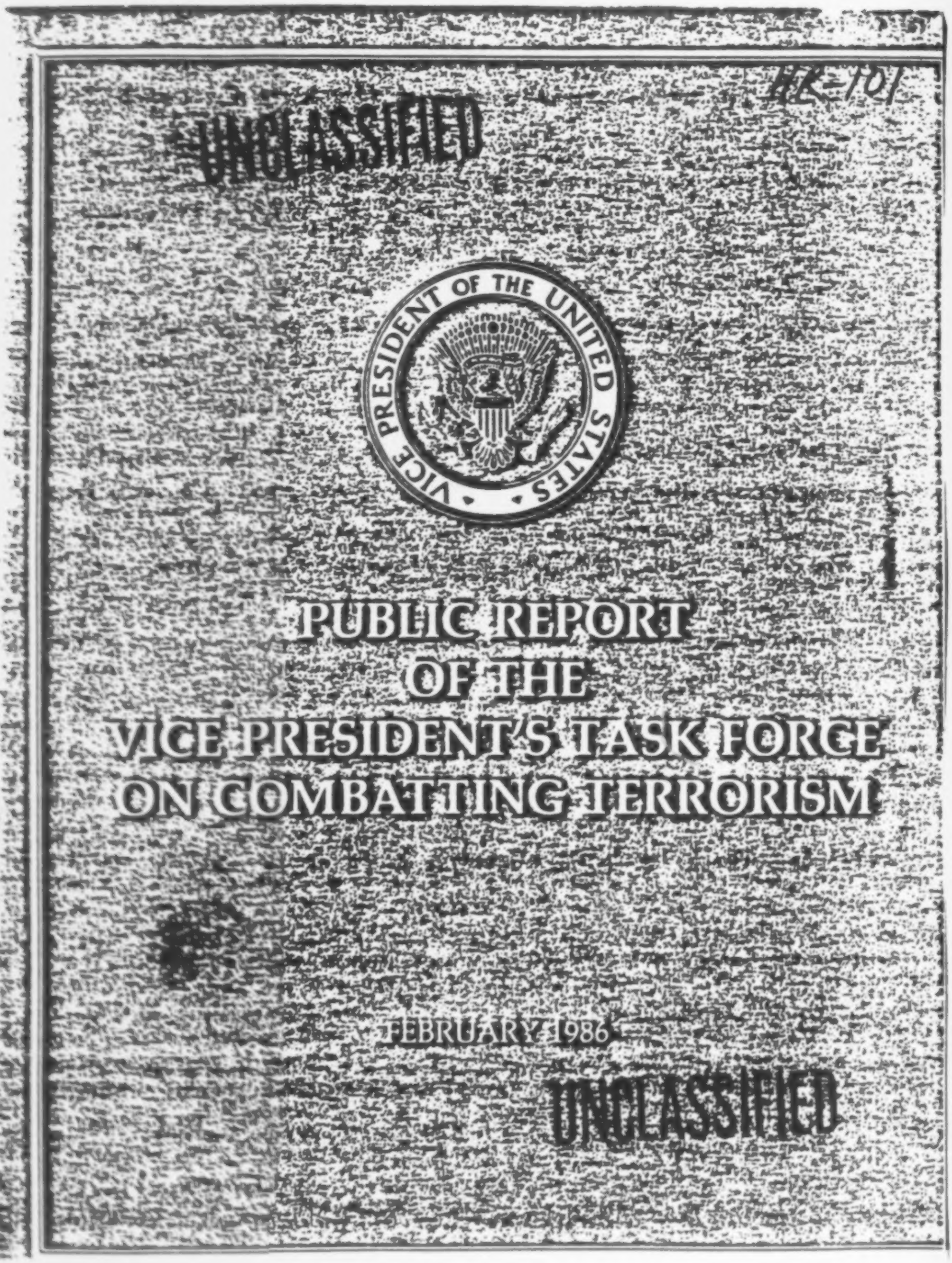
2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
Military Airlift Command
Central Intelligence Agency
National Security Council
President's Intelligence Oversight Board
Federal Aviation Administration
Geneva Commercial Registry
Military Reutilization and Material Supply Department, Portugal
National Armaments Directorate, Portugal
Nugen-Hand Bank, Australia
Overseas Defense Corp.
Department of Defense
Lloyd's of London
any agency, division, or department of the United States government with responsibility for foreign relations, for intelligence activities, or for manufacturing, storing, shipping, selling, transferring, monitoring, or accounting for any arms, munitions, or military personnel
any agency, division, or department of the government of,

any instrumentality of, or any national of, or person located in Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras, or Guatemala

3. Any of the following entities, or any entity whose name is as listed, but followed by Inc., Corp., Corporation, Ltd., Co., Company, or SA., doing business in any location whatever:
    ACE
    Airmach, Inc.
    Albon Values
    Alpha Serivces, S.A.
    Amalgamated Commercial Enterprises, Inc.
    American Marketing and Consulting, Inc.
    American National Management Corporation
    Baggett Transportation Company
    CSF
    CSF Investments Ltd.
    CSFR Inv. Ltd.
    Chester Co.
    Compagnie de Services Fiduciares SA
    Corporate Air Services, Inc.
    Dataguard International
    Defex - Portugal
    Dolmy Business, Inc.
    EAST Inc.
    EATSCO
    Eagle Aviation Services and Transportation
    Egyptian American Transport Services, Inc.
    Energy Resources International
    Fifteenth of September League
    Gulf Marketing Consultants
    Hyde Park Holdings
    Hyde Park Square Corporation
    I. B. C.
    IDEA
    Intercontinental Technology
    International Research and Trade
    Kisan
    Lake Resources Corp.
    Lake Resources, Inc.
    Lilac Associates
    Maule Air, Inc.
    Missurasata
    NRAF Inc.
    National Defense Council Foundation
    National Liberation Army
    N. S. I.
    Nicaraguan Democratic Force (FDN)
    Nicaraguan Democratic Union
    Nicaraguan Development Council

Nicaraguan Freedom Fund, Inc.
Nicaraguan Revolutionary Armed Forces (FARM)
Project Democracy
Queen Shipping
R. M. Equipment Co.
Revolutionary Democratic Alliance (ARDE)
S & S Trading Corp.
SOME Aviation
Secord Associates
Southern Air Transport, Inc.
Southern Bloc Opposition (BOS)
Stanford Technology, Inc.
Stanford Technology Trading, Inc
Stanford Technology Trading Associates, Inc.
Systems Services International
Trans World Arms Inc.
Udall Corporation
Udall Research Corporation
Udall Resources, Inc., S.A.
United Nicaraguan Opposition (UNO)



HL-101

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PUBLIC REPORT
OF THE
VICE PRESIDENT'S TASK FORCE
ON COMBATTING TERRORISM

FEBRUARY 1986

UNCLASSIFIED

Released on 11 DEC 88
by K. Johnson, National Security Council

5378

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THE WHITE HOUSE
WASHINGTON

February 12, 1987

Dear Mr. Hunt:

Thank you for your letter dated September 18, 1986, addressed to the President, describing the project to erect a memorial to Congressman Lawrence McDonald of Georgia in a prominent place in Washington, D.C.

While this effort is a noble one, we regret that the President will be unable personally to become involved in it. We wish you, nonetheless, every success with this endeavor.

Sincerely,

Fred Ryan
FREDERICK J. RYAN, JR.
Director of Presidential Appointments
and Scheduling
Director of Private Sector Initiatives

Released on 11Feb88
by K. Johnson, National Security Council

Mr. Nelson Bunker Hunt
Thanksgiving Tower
Dallas, Texas 75201

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HR-106

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

October 10, 1985

Dear Mr. Channell:

On August 30, I signed Executive Order 12530 authorizing the provision of $27 million in humanitarian assistance to the freedom fighters in Nicaragua. This week the Nicaraguan Humanitarian Assistance Office (NHAO) commenced work on the distribution of food, clothing, and medical supplies so desperately needed by the men and women who struggle for liberty in Nicaragua.

Passage of the legislation, which made my Executive Order and the NHAO possible, was a significant victory for the cause of freedom in Central America. It would not have been achieved without the help of the American Conservative Trust and its supporters. Your organization's effort to go to the public via television in support of this program was a significant factor in helping people to understand this issue.

You and your organization have made a remarkable contribution to the course of democracy in Central America. Keep up the good work.

Sincerely,

Ronald Reagan

[illegible] Released on 11 FEB88
[illegible]
by K. Johnson, National Security Council

Mr. Carl Russell Channell
President
The American Conservative Trust
305 Fourth Street, N.E.
Washington, D.C. 20002

UNCLASSIFIED

HR-169

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

June 25, 1985

Dear Mr. Channell:

Thank you for your letter concerning the American Conservative Trust and your television messages.

It is indeed critical that the American people are informed about the current situation in Nicaragua. Thank you for the work you are doing in this regard.

The President greatly appreciates your efforts in support of his policies.

Sincerely,

Ed Rollins

Edward J. Rollins
Assistant to the President
for Political and
Governmental Affairs

Mr. Carl Russell Channell
President
American Conservative Trust
305 4th Street, N.E.
Suite 210
Washington, D.C. 20002

[redacted] Released on 11 FEB 88
[redacted]
by K. Johnson, National Security Council

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/87

Stenographic Transcript of

HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

DEPOSITION OF FRED C. IKLE

Tuesday, July 21, 1987

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(4083)

Partially Declassified/Released on 12/22/87
under provisions of E.O. 12356
by N. Menan, National Security Council

Washington, D.C.

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(202) 628-9300
20 F STREET, N.W.
WASHINGTON, D. C. 20001

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DEPOSITION OF FRED C. IKLE

Tuesday, July 21, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of FRED C. IKLE, called as a witness by counsel for the Select Committee, in the offices of Dr. Ikle, The Pentagon, Washington, D. C., commencing at 4:10 p.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

~~TOP SECRET~~

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

JOHN SAXON, ESQ.

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

ROBERT GENZMAN, ESQ.

ROGER KREUZER

On behalf of the Department of Defense:

EDWARD SHAPIRO, ESQ.

Assistant General Counsel, Legal Counsel

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WITNESS	EXAMINATION ON BEHALF OF SENATE	EXAMINATION ON BEHALF OF HOUSE
Fred C. Ikle		
By Mr. Saxon	4	

EXHIBITS

IKLE EXHIBIT NUMBER	FOR IDENTIFICATION
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2	24
3	27
4	33
5	39
6	42

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PROCEEDINGS

Whereupon,

FRED C. IKLE,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Would you state your name, please?

A Fred Charles Ikle.

Q Dr. Ikle, what is your current position?

A Under Secretary of Defense for Policy.

Q And I believe you've been in that position since April 1981; is that correct?

A Correct.

Q And could you briefly tell us what your duties are in that position?

A To advise the Secretary of Defense on policy issues, military strategy, to coordinate for him the work done by the elements in the policy cluster -- ISA, ISP, the Deputy Under Secretaries.

Q ISA is International Security Affairs; ISP is International Security Policy?

A Right.

Q We have to say these things on the record for subsequent readers, so that while you and I and everyone else around the table may know what you mean, we need to spell that out sometimes.

And do you also have, or I assume you still do -- I think you at one point had terrorism policy and counterterrorism policy under you; is that correct?

A Terrorism and counterterrorism as far as the OSD role is concerned, as distinct from the role of other elements in the Department, are still part of the policy cluster.

Q And am I correct in saying that you have the Department-wide [redacted] under you as one of your indirect responsibilities?

A Yes. The so-called [redacted] for our link with the Central Intelligence Agency is in the policy cluster as well.

Q And let me say for the record from the outset if I make reference to something you have told us previously I don't mean necessarily in this deposition, unless I say that. For the record, you were kind enough, on April 27 of this year, to meet with Mr. Kreuzer and Joe Saba of the House staff and myself, so if I say "as you told us previously" or "as you told us in April", that's what I have in mind.

Let me start by asking you about the [redacted]

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[redacted] and have you just state generically what it is and why it exists and what it's supposed to do and govern.

A This system or cluster of people, who are reporting to me through the Deputy Under Secretary, the principal Deputy Under Secretary, serves follow, supervise, coordinate the OSD and the Secretary's role in covert action, to bring to bear policy inputs in covert action and other similar intelligence-related or CIA-related activities.

Q Is it fair to say that one of its purposes is to ensure proper staffing of a request to transfer materiel or equipment to the CIA both as to issues like readiness and the legal review that's necessary?

A One of its functions, yes, could be said to be that. May I add a point here? I believe we still do not in an unclassified way identify this cluster of people with this activity. It has a different name, as you know.

Q Yes, sir. Do you have an opinion as to whether the [redacted] was either utilized or bypassed with regard to the Iran arms transfer, what the Army knew as Project SNOWBALL -- that's the TOW missiles -- and Project CROCUS, the name they gave to the HAWK repair parts?

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A The people at the staff level involved in the [redacted] were not utilized. I wouldn't use the word "bypassed" for the fact that the Secretary of Defense himself was directly involved in this, at that time, very sensitive action. And he has the authority, clearly, to shrink down the number of people involved. The system serves the Secretary. It's not there for some other purpose.

Q And in fact the system as it exists now was created by or at the direction of Secretary Weinberger; is that correct?

A At least I can speak to exactly what existed before under Secretary Brown. I know the unit existed when I assumed office here. But the detailed procedures laid down in the DOD directive were instituted under Secretary Weinberger.

Q Mr. Secretary, are you aware of any sensitive transfers from any of the services to the CIA in your tenure which have not gone through the [redacted] other than these?

A By transfers you mean --

Q Materiel or equipment.

A Equipment or materiel, not information or documents?

Q Yes, sir.

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A No, I'm not aware of any transmittal of equipment or materiel to the Agency of significant value.

Q Is it fair to say that there have been some transfers that in fact were fairly sensitive, such as [redacted] or support to the CIA [redacted] Those, in fact, as I understand it, have gone through the [redacted] formally; is that correct?

A Yes. The [redacted] serves to handle requests from the Agency, normally under a Finding, for materiel or for services, and then it serves to process these requests and respond to them.

Q Do you know whether those parties here in the Department involved in working a particular request as part of the [redacted] actually see the Finding? Is that part of the process or not?

A Could you repeat the question?

Q When you have a request for transfer to the CIA which goes through the formal [redacted] do the parties within the Department of Defense or within a particular service who are working that requirement as part of the [redacted] actually see the Finding?

A I guess I have a problem with the word "parties".

Q Individuals?

A I normally see the Findings. [redacted] who is now in charge of the [redacted] would handle the Findings and see them, [redacted] reports. The General Counsel can see the Findings. I don't know who else would look at them in the services or in JCS.

Q Is that a recent phenomenon or is that the way it's been done throughout your tenure?

A I don't recall a different procedure, but there may have been some gradual changes that wouldn't come back to my mind.

Q In terms of the Iran arms sales, the TOW missiles in 1986 and the HAWK repair parts in 1986, did you ever see a Finding in those cases?

A No, not at that time.

Q With regard to the 1985 HAWK and TOW transfers not directly from the United States but U.S.-provided TOWs and HAWKs that were in Israeli stocks which we now know were transferred to Iran and a Finding was done, as we've had testimony on, and signed by the President on December 5, did you ever see that Finding --December 5, 1985?

A Again, not at that time. I may have seen it in the newspapers recently.

Q Let me ask you in a more open-ended way to just tell us what your knowledge was of the transfers and when you acquired that knowledge, and let's just do it chronologically and start with the '85 TOW shipments and HAWK shipments, and if you want to lump those together that's fine.

When were you made aware that those transfers from Israel had gone forward to Iran?

A I don't recall having heard about those transfers before I read about them either in the newspapers or in the Tower report.

Q So that would have been post-November 25, the date of the Attorney General's press conference?

A Yes.

Q And the TOW shipments in 1986, the direct shipments of Army-provided TOWs to the CIA, when were you first made aware that they were going forward?

A With the specific details again not until after November last year. The generic idea of providing certain equipment for Iran under the context of some broader policy considerations I learned about in the first part of last year.

Q Are you able to date it any more precisely than that?

A It was when Noel Koch was still here and is was through him that I learned about it because he was then in charge of the terrorism/counterterrorism area in the policy cluster.

Q So you learned that directly from Mr. Koch?

A Right. But I don't recall it having been specific in terms of what kind of equipment, such as TOWs or other things.

Q If I understand what you're saying, though, rather than a prospective there is an opening to Iran and we might at some future point supply arms, was it we are in the process or have supplied arms to Iran?

A As I recall it -- and I'm not sure I recall it that precisely -- it was that this was something under consideration. And I also recall that Secretary Weinberger was informed about it and he thought it was not a good idea and I was told he made his views known on that, and since I shared these views I felt that that aspect was covered.

Q And in terms of Secretary Weinberger's views, did you also learn those views and that he had made them known from Mr. Koch or from someone else?

A I believe from Mr. Koch, but I also knew it from general broader discussions with Secretary Weinberger about our policy towards Iran. It was totally consistent.

Q And if I understand your testimony you basically agreed with the Secretary on those points?

A As I just mentioned, I did not see the need for a policy recommendation to the Secretary that would add anything to the policy that he was already advocating.

Q If he had come to you and said we are in the process of considering the transfer of TOW missiles or HAWK repair parts to Iran, I need some policy input to help me shape my views, what would you have told him, if he'd been asked by the President, for example, to provide input.

A Well, that's a hypothetical question and it's made a little bit more difficult by the phase "we are in the process". I mean, it's already happened, the President has decided, or we are going to discuss it with the President, or what?

Q Well, you answer it in whatever way makes you most comfortable. I recognize it's hypothetical. I could ask it differently. Basically I'm asking you what are your views in terms of this initiative and the wisdom of it.

A If he had said I'm going to a meeting at the White House where this idea will be discussed and what is your input, I would think, looking back at that time, I would have counseled, would have advised him, to speak up against it.

Q And on what basis?

A Again it's a hypothetical question and referring to a previous time period. I do recall a memo I once wrote, which I think we made available to you, earlier -- it was half a year or so earlier -- where I stressed the importance that in anything we did designed to work on our long-term strategic relationship with Iran it be kept in mind that the Iranians might have an interest in leaking whatever we did, and we had to therefore conduct ourselves in such a way that that wouldn't hurt us.

Now, depending on the hypotheticals that you apply to your question, that might have applied here.

Q In terms of the wisdom of the policy initiative itself, let me then just ask some specific questions. Would you have counseled against it on the basis that it was counter to our policy, our stated policy, as you understood it at the time of not selling arms, not trading arms with Iran?

A Again, just guessing in response to a hypothetical question, I might have made the point that it might appear to be contrary to our policy of not dealing with countries -- giving arms or making arms available to countries involved in terrorism, that it might appear that it was contrary to our policy on hostages, and that it might leak, as I already mentioned, become public.

Q Would you have said it would be counter to our policy of encouraging our allies not to sell arms to Iran?

A If I had thought of that point, I might have added that. Maybe I would have given that less weight since that policy was only partially successful anyhow.

Q Would you have counseled that it would have been counter to our policy of expressed neutrality in the Iran-Iraq war?

MR. SHAPIRO: John, may Counsel interject a question just to see if we can clarify this? It is obvious that Secretary Ikle finds the notion of questions which so clearly call for hindsight to be discomforting in the sense that they call for a prediction of past behavior. Do you mean to be asking whether he thought these were valid considerations at the time, whether he thinks he necessarily would have raised them, or whether he now believes that they were then valid reasons to have opposed the transfer?

MR. SAXON: I understand the difficulty of hypothetical questions in general, and particularly looking back on a particular initiative or policy. I am simply trying to find out from the Secretary, as the top policy man at the Pentagon, what his views were at the time. And that's why I asked the open-ended question initially of if Secretary Weinberger had come to you and said what are your thoughts about this proposal, either before the fact or in the middle of doing it, or at whatever stage where input can still be had, what would those views have been.

And I got something of a general view. I'm not trying to lead him and get him to say yes. If he disagrees when I say would it have been counter to this, then the answer is no. Fine.

MR. SHAPIRO: Well, I don't think I mean to be saying that you are trying to lead him, only that there may be a distinction. In fact, there is a distinction between what he would have said and what his views were, or there's a distinction between those two questions. There may not be a distinction between the answer.

Can we clarify which question it is?

MR. SAXON: I'm not sure I understand the point you just made. I assume someone can only state what their views are.

MR. SHAPIRO: Okay, because those are not the terms in which the question was put, and I thought the clarification was worthwhile. Mr. Secretary, is that helpful?

THE WITNESS: Well, the difficulty is to distinguish what we all know from hindsight from a hypothetical prediction, a hypothetical kind of causal explanation, whatever you call it, of what I would have said if I had been pressed to offer advice at the particular time, which itself is defined vaguely in your question.

BY MR. SAXON: (Resuming)

Q I think plain and simply that's the question.

A I can speak clearly to what I wrote down at an earlier period. I have mentioned that.

Q Do you have an opinion as to what your response would have been if anyone at the time asked you whether you thought this kind of initiative would have an effect on the taking of future hostages? Would it be counterproductive in that regard?

A It would have depended more on the details as to whether this transfer could be seen as being directed primarily or secondarily at hostages, hostage release. It would have depended on that.

Q Suppose you had been shown the December 1985 Finding which Admiral Poindexter has said was straight arms for hostages, and if you had been shown that before it was signed and asked whether you think that would have had any impact on the taking of additional hostages, what would your response have been?

A I don't have that Finding in front of me now.

MR. SHAPIRO: Mr. Saxon, I must say I think that's awfully difficult to ask a hypothetical question about a document that the testimony says has been destroyed and no longer exists and which Secretary Ikle has testified he hasn't seen.

MR. SAXON: Well, for that matter, none of us have seen it, as much as we might like to. I just used that as a concrete example. I can ask the question more abstractly.

BY MR. SAXON: (Resuming)

Q And that is, if you were told, since you indicated you would normally see Findings such as this, if you were told the specific proposal is that we are trading arms for hostages without consideration of broader openings to Iran, would you have had a view, if asked, as the Department's top policy advisor, with regard to whether that might have led to future taking of hostages?

A If that had come to me as a draft Finding and I would have transmitted it to the Secretary, I would have urged him to oppose it.

Q Okay. That's helpful. I'm not trying to pin you down and I'm not trying to get any statement on the record that in any way is an embarrassment to the Administration in terms of what was done. I'm simply trying to find out. We know that that happened, if Admiral Poindexter's testimony is accurate, and I've got no reason to believe that it isn't, on this point.

If you had been shown a draft Finding that dealt exclusively with arms for hostages and had been asked whether you thought that would be counterproductive in that it might lead to the taking of future hostages, what might have been your answer?

A As I said before, I would have recommended to the Secretary of Defense that he recommend to the President not to sign such a Finding, the reason being that it could stimulate -- that it was contrary to our essentially proven policy on dealing with hostage situations.

Q I don't know if that's a yes or no as to whether you would have thought it might have led to the future taking of hostages, that it would have been counterproductive in that regard.

A Well, if elaboration were needed, I probably would have pointed out that the U.S. policy on dealing with hostage situations was set up this way in order not to stimulate new hostage-taking, not to get into blackmail situations, yet leaving some room for discussion, negotiation to free the hostages where possible.

Q Let me go back to the specifics of this case. You indicated that you learned from Mr. Koch early on, without lots of details, that it was under consideration or that we were in some stage of going forward. After you learned that did you ever have occasion prior to November, when these matters became public, to talk about the Iran arms initiative with Secretary Weinberger?

A Not that I recall.

Q Did you ever have occasion to talk about the Iran arms initiative again in the same time frame, once you learned about it in a general way from Mr. Koch up until November, when the matters became public, with lots of details, with Secretary Taft?

A Not that I recall.

Q Mr. Armitage?

A I believe discussions with him were probably about the same time that Noel Koch mentioned this, not after that. But my memory could be wrong on that.

Q And I take it from that you would not have discussed it with Mr. Armitage prior to learning it from Noel Koch?

A I don't recall a discussion. I recall plenty of discussions with Mr. Armitage about our relations with Iran.

MR. SHAPIRO: Counsel, I take it your last question had reference to knowledge of the specific action, the actuality of the specific action?

MR. SAXON: I'm sorry. Yes, not the broader question.

BY MR. SAXON: (Resuming)

Q For the record, I know the answer but we should make this clear for subsequent readers. You indicated that international security affairs is under you and Mr. Armitage was at these times and is now the Assistant Secretary for International Security Affairs and reported to you; is that correct?

A That is correct.

Q Did he ever have occasion to tell you in late 1985 that he had had any discussions with Lieutenant Colonel Oliver North about Colonel North's meetings at that time with the Iranians and the discussions that were taking place?

A I recall no such observations.

Q Did Mr. Armitage ever tell you in late 1985 that he had any role in briefing Secretary Weinberger or generating or presenting to the Secretary any briefing papers on HAWK missiles or TOW missiles to give the

Secretary prior to a meeting that Secretary Weinberger attended at the White House on December 7, 1985?

A I don't recall.

Q The same question as to Mr. Koch.

A No, I don't recall.

Q I believe when we met with you in April you indicated that at the time in early 1986 when the first shipments went directly from the United States to Iran that we had Presidentially-imposed restrictions on the sale of arms to Iran; is that correct -- that they had been in place?

A It sounds correct to me. We could look this up. It's a matter of the record.

Q When Mr. Koch told you what was in the process of being done or under consideration, whichever it was, in terms of the arms shipments to Iran, what was your reaction to that, if you recall?

A The reaction that I recall is what I already indicated, that this might become known to various groups, including the general public, and be misconstrued or construed as being contrary to our hostage policy and, therefore, harmful.

Q At any point did you ask Mr. Koch or anyone else whether the Congress had been notified that this was in the process of being done?

A I don't recall asking him that, and when we had the discussions it was more, as I said before, a plan or proposal than an action.

Q Did Mr. Koch indicate to you that he had played any role directly in negotiating with the Israelis on the price for a TOW missile that they would pay?

A No.

Q Did Mr. Armitage ever indicate, either at the time or later, that in early 1986 he might have had any discussions with representatives of the Israeli government about the arms initiative?

A No. By the arms initiative you mean --

Q The direct sale of arms to Iran, either direct to Iran or indirectly through Israel.

Mr. Secretary, I promised you I would show you a few documents, and you can tell me if you've ever seen them. The first one that we will have marked as Ikle Exhibit 1, I'll give you a minute to read it, but let me tell you what you are looking at.

(The document referred to was marked Ikle Exhibit Number 1 for identification.)

First, I apologize for the poor copy, but this has been copied so many times, and then we sent it to the White House, and after it came back unclassified it was even fainter. Up above, right underneath where it is stamped unclassified, it's ever so faint, but it says "Point Paper", and below that it says "HAWK Missiles for Iran". So you will know what you are looking at, this is a point paper that Dr. Henry Gaffney within DSAA prepared on or about 19 November 85 at the request of either Colin Powell or Noel Koch.

I'll give you a moment to finish looking at it.

(Pause.)

A All right.

Q Let me ask you first, Mr. Secretary, do you recall ever having seen this prior to today? I realize you see lots of documents and lots of papers.

A I don't recall having seen it prior to today. Whether it was in one of these newspaper reproductions or in the Tower report, I didn't see it there.

Q It was not in the Tower report. It was an exhibit when Dr. Gaffney testified in our joint hearings on June 23, and it was talked about, and I'm sure it was written in some ways about.

A I didn't read everything, so I don't recall seeing it then. I read about it.

Q I'm not going to walk you through it and have you comment on particular statements. I think it speaks

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for itself and I'm not sure -- you've talked generally about the arms initiative and what your views might have been or are. I'll just ask one final question.

Do you recall at the time this was done -- and, as I said, Dr. Gaffney puts it on or about 19 November 85 -- having any knowledge of it either from Dr. Gaffney, General Powell, Mr. Koch or Mr. Armitage? Do you think you had any contemporaneous knowledge that this was being generated?

A I don't recall.

Q Again, we're not trying in this deposition to trip you up or point out any inconsistency. Let me just indicate what my notes suggest you said in April and see if that helps in any way or if it doesn't. I asked you about Dr. Gaffney's point paper in April and you said you didn't recall it. And then I described it and your answer, if I recorded it properly, was that you maybe recalled it. You didn't think that the White House was mentioned, but that General Powell was a name that might have been mentioned in the context of this paper.

Does that help in any way as to whether you would have had any knowledge of it?

A It doesn't.

Q Okay, fine. Let me have marked, then, the next document as Deposition Exhibit 2.

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(The document referred to was marked Ikle Exhibit Number 2 for identification.)

(A discussion was held off the record.)

MR. SAXON: Back on the record.

BY MR. SAXON: (Resuming)

Q Let me give you a moment, Mr. Secretary, to read this document. It might make more sense if I take a minute and tell you what it is you are looking at.

It is a document that was prepared, according to this one statement of Mr. Glenn Rudd, by him at the request of Mr. Armitage and with the assistance and input of Dr. Gaffney sometime in November or December -- late November or early December -- 1985 and, as Mr. Rudd understood it, Mr. Armitage asked for this in order to provide it as part of briefing materials for Secretary Weinberger in anticipation of the Secretary's going to a December 7 meeting at the White House.

I'll give you a moment to look at it.

(Pause.)

Let me ask first if you recall having ever seen this document before today.

A I do not recall.

Q Let me ask essentially the same question as with Exhibit 1. Do you recall having any contemporaneous knowledge in late November or early December of 1985 that this document had been requested, or something along these lines, by Mr. Armitage, that it was being worked on by Mr. Rudd or Dr. Gaffney -- anything along those lines?

A Unless I misread this memo, reading it quickly it doesn't say where these things should be shipped to.

Q That is correct.

A It is, therefore, like many of the hypothetical questions that are directed to DSAA, which I don't see all of -- it would take up too much of my time -- whether some type of equipment could be diverted from being destined from one country to be used somewhere else or other services or vice versa, and these hypothetical assessments by DSAA are made quite often. So it would be quite natural, as long as it's in that context, and I wouldn't get involved in it.

Q You may wish to use a different word than "diverted". That's become a term of art with pejorative meanings these days.

A Allocated. Both Assistant Secretaries, ISA, ISP, often ask DSAA for some factual assessment of this kind.

Q As I said, I have no reason to believe you saw these before and, for that matter, there's no suggestion that if you did or didn't see them that's good, bad or indifferent.

Let me show you a third exhibit and ask that this be marked as Ikle Deposition Exhibit 3.

(The document referred to was marked Ikle Exhibit Number 3 for identification.)

Let me tell you what this is, and then I'll give you a moment to read it. This is a document likewise prepared by Mr. Rudd for Mr. Armitage at Mr. Armitage's request in that same time frame of late November/early December of '85, possibly for use to brief Secretary Weinberger.

(Pause.)

A This is from Rudd?

Q Yes, sir. Do you have any knowledge of having seen this paper before today?

A I do not.

Q And do you recall having been made aware in that time frame of a reference in late '85 that either Secretary Armitage had requested such a paper be prepared or that Mr. Rudd was working on such a paper?

A No. I have not. But such a paper doesn't say very much. This is standard recitation of the legal requirements about notification. I sometimes ask for a reminder of such a thing, or Rich Armitage might, or

Perle. The only word there that may carry a little more weight is "this project", which is not fully explained.

Q That's correct, sir. Did you have any dealings with or conversations with General Colin Powell in late 1985 or early '86 with regard to this project, meaning arms sales to Iran?

A No, I don't recall.

Q I think I know the answer to this, and I asked you about this in April, but for the record we probably should have it down. Even though Mr. Koch, as principal Deputy Assistant Secretary for International Security Affairs normally worked under and reported to Secretary Armitage, as I understand it, on terrorism matters he reported directly to you; is that correct, sir?

A Yes. He based that on or we based that on a memo, if I recall, that Deputy Secretary Thayer had signed some time ago.

Q That would be Paul Thayer, Mr. Taft's predecessor?

A Yes.

Q And, as I understand the policy, that would be to have the Pentagon's principal terrorism official reporting to you directly?

A I think we might want to look up the memo and see what the context is. Right. It's some time ago now.

Q Did Mr. Armitage ever have occasion prior to these matters becoming public, which again for easy reference we can put at November 25, 1986 and the Attorney General's press conference, to make you aware of what he had learned about Colonel North's activities on the contra side of the Iran-contra affair?

A By Colonel North's activities on the contra side, what do you refer to there?

Q Discussions that Mr. Armitage had with Colonel North about Colonel North's involvement in fundraising activities or private supply operation, some of the matters to which Colonel North has testified recently? I'm not suggesting that Mr. Armitage was witting of all of those things, because he certainly wasn't, and it would be unfair to characterize it that way.

But [illegible] has told us in his deposition that at various times during or after RIG meetings, for example, when Colonel North had gotten a lot of adverse publicity in some of the Miami papers about his contra activities Mr. Armitage asked him about it and they discussed it. Likewise, Mr. Armitage was present when he and Mr. Abrams and Colonel North discussed some of these activities.

Did he ever report any of that back to you?

MR. SHAPIRO: I'm going to interject here. I wonder if we can't reframe the question to make it a little bit clearer, if possible. I just think it may not be clear here from the context exactly what it is Colonel North may have said to Secretary Armitage, and I think that may cause some difficulty with the question.

MR. SAXON: I understand. That's fair.

BY MR. SAXON: (Resuming)

Q Let me see if I can go at this way. Was there ever an occasion on which Mr. Armitage said to you that he had come to know or suspected that Colonel North may be involved in some contra support activities that arguably would be in violation of the Boland Amendment? Let me put it that way as a starter.

A No.

Q Did he ever indicate to you that he had had discussions with Colonel North in which he asked him the nature of his, Colonel North's, involvement in supporting the contras?

A I don't recall, but it's possible he did. That wouldn't particularly leave an indelible memory because, like many people in government and outside, I was aware that Colonel North was trying to help the contras in some ways by looking at what we thought were and what I think were legally possible ways for raising monies.

Q Let me ask the question in a more open-ended way, then, following on that answer. What was the state of your knowledge or understanding about Colonel North's activities to aid the contras?

A No details. I think I read in the newspapers -- I don't know whether it was before November or after -- about private contributors and, of course, we had repeated discussions about when it would become legal to ask for third country help. So these were the main dimensions.

Q Did you have any knowledge, prior to these matters becoming public, that Colonel North was involved in a direct way in aiding the resupply operation that was being conducted privately?

A No, not in a direct -- I don't know what you mean by aiding direct. That can range all the way from encouraging private donations to flying the supplies down yourself. So what is it you mean?

Q Colonel North has testified that he was involved in a number of things, from helping procure aircraft for the resupply operation, helping position people who could aid in Central America in the resupply operation, being a point man for problems that were incurred by those involved with the resupply operation, and being the operational point of intersection.

A I didn't have a good picture of the full range of activities to which he may have since testified. I was aware that he would receive and exchange a lot of information about the situation of the contras, and probably had a certain relationship to private fundraising. That was about it.

Q You mentioned a moment ago the point at which it might have become legal to solicit third country donations. Let me ask you in a general way what you knew about the solicitation efforts of which we had more recently become aware to third countries for aid to the contras.

A I was in some White House meeting or meetings where we talked about the change from the prohibition of third country solicitation to its becoming authorized by Congress. And, as I recall, the sense of the meeting was that the Secretary of State or State Department people should pursue that.

Q Prior to that period did you ever have occasion to learn about any contributions either solicited by the United States Government or voluntarily made, solicited of [redacted] or voluntarily made by [redacted] [redacted] to the contras?

A No.

Q Did you ever have occasion to discuss that topic with Mr. Armitage?

A Since I wasn't aware of it, I don't recall discussing it with him.

Q And the same question, then, of Secretary Weinberger?

A No.

Q Let me have marked as the next Exhibit this document, and I'll take a moment to tell you what you're looking at.

(The document referred to was marked Ikle Exhibit Number 4 for identification.)

This is a memorandum for record done by Mr. McMahon, the Deputy Director of the CIA, on 15 March 1985. As you can see, items one through six have been removed, and I direct your attention to the last sentence of item seven. I'll give you a moment to read that.

(Pause.)

A When was this?

Q This memorandum was done by Mr. McMahon on March 15, 1985, and that followed one of the regular breakfast sessions that the Director and he, as Deputy Director, had with Secretary Weinberger and Secretary Taft. And while I'm not asking you to in any way vouch for the accuracy of what he puts in there, I show you that and simply ask if you ever had occasion to hear

Secretary Weinberger comment on whether he learned that [redacted] were going to be giving $25 million to the contras.

A I don't recall.

Q Do you recall ever discussing the possibility or the prospective of [redacted] providing any aid to the contras prior to that period when the Congress authorized the solicitation of third countries?

A It's possible we talked about them as a potential source, along with other third country sources.

Q. So, if I understand your testimony, you don't recall ever having learned --

A That there actually was a contribution at a particular time. I don't recall that, no. I have known of -- and this is classified still, I believe -- [redacted] and so it may have become blurred in that context.

Q We won't inquire further into that. That's something our committees are aware of and have chosen not to go further into.

Let me ask you, along the lines of the questions I asked about Colonel North and his contra support activities, if you ever had knowledge prior to these hearings of any involvement Colonel Jim Steele may have had in [redacted] in aiding the contra resupply operation.

A Colonel Jim --

Q Steele.

A Steele? No, I did not.

Q The same question with regard to an individual named Felix Rodriguez, who also went by the name Max Gomez. Did you ever have any knowledge of his involvement in aiding the resupply operation?

A No.

Q Any knowledge of any activities by other Mil Group officials, Army officers -- a Colonel Clark or Major Alvarez, any of those?

A No.

Q In the discussions you mentioned at the White House in which various contra, legitimate contra support

[redacted]

[redacted]

Q If I have already asked this, I apologize. I know I asked you about whether you had knowledge of a Presidential Finding which governed the 1985 shipments. Contemporaneously, when Mr. Koch made you aware of the arms to Iran initiative early last year, did you have knowledge that that was being done pursuant to a Presidential Finding?

A I think it was more that Koch made me aware of the arms to Iran idea and I don't recall consideration of a Finding in that discussion.

Q Did Mr. Sanchez -- for the record, Nestor Sanchez, who until he left the Pentagon late last year was the Deputy Assistant Secretary for International Security Affairs responsible for Central America, if I've got that correctly -- did Mr. Sanchez ever discuss with you any of Colonel North's activities in aiding the contras?

A Nestor Sanchez talked about Colonel North's role in their discussions in RIG meetings, his ideas and initiatives that had come to both his, Nestor's, and my attention. So he talked about these activities of Colonel North that we both knew about.

Q Did Mr. Sanchez ever say anything to you that would suggest Colonel North was involved in any contra support activities in which he should not be involved?

A I don't recall that.

Q I had asked you in April about a committee that you appointed, I believe in 1984, to study the United States response to counterinsurgency i[redacted] [redacted] that was headed by General Singlaub. What can you tell us about that committee and any recommendations it made?

A It met, as I recall, for a day or two and came forward with a number of suggestions or recommendations, some of which we had already in place, some of which we found not helpful, and some of which we found very helpful.

Q Do you remember any of the particulars with regard to those recommendations?

A No, but I could easily refresh my memory. We

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have a memo on those.

Q Did General Singlaub ever tell you of any of his activities that he undertook to raise money for the contras?

A I don't recall. Maybe it was much earlier, when he was involved in -- wasn't he involved in some activity in the U.S. about public information about [redacted] and so on?

Q Yes, sir.

A He had some organization which he led.

Q The World Anticommunist League?

A That I heard about, yes.

Q But, if I understand your answer, you were never told by him that he was fundraising for the contras?

A I don't recall his saying so, no.

Q Did he ever indicate to you -- I think this is subsumed under the question just asked, but let me break it out and make sure that it's covered -- did he ever indicate to you he was raising money in direct solicitation to third countries for the contras?

A I don't recall that.

Q Did he ever tell you he was involved as a middle man or broker, if you will, in acquiring arms from non-U.S. providers for the contras?

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A Again, I don't recall it. I haven't seen him that much.

Q Let me ask you, before we leave totally the Iran arms initiative, to look at one additional exhibit, which I will have marked as, I believe, Exhibit 5.

(The document referred to was marked Ikle Exhibit Number 5 for identification.)

Let me tell you what this is you are looking at. You are looking at a handwritten note by Noel Koch made sometime in the March or April time frame of 1986 and, for what it's worth, I have no reason to believe you would have ever seen this, but I want you to take a minute to look at it and I'll ask you a couple of questions.

(Pause.)

A I'm not sure I can read it all.

Q For that matter, it was used as an exhibit when Mr. Koch testified on June 23, and he couldn't read all of it. I had to refresh his recollection from what he had told us earlier in deposition as to what he thought some of those words at the bottom said.

Item number one -- and these are his numbering -- says "TOW discussed separately with Rudd and Gaffney in December". You've already indicated that you had no contemporaneous knowledge of that.

Item number four says: "TOW paper locked in RLA safe." He says that RLA is Richard L. Armitage. "Wouldn't let Rudd keep copy."

Did you ever have reason to know prior to today that Mr. Armitage had kept a copy of the Rudd TOW paper?

A That one there?

Q Yes, sir.

A No. I would have mentioned that before.

Q Further down in this exhibit Mr. Koch says: "Gast said best possibility of cover" -- and I can't make out that next word -- "do it black". His testimony indicated that either General Gast or Mr. Rudd indicated to him that if we were going to transfer arms to Iran, given the problems with direct sale through FMS and the quantities of weapons being talked about at the time and the subsequent dollar amounts, that the $14 million threshold would be exceeded for purposes of Congressional notification and if this were going to be kept secret, which is his word, then the conclusion was the best way to do it was to do it black, which he explained to be transfer them to the CIA and make it an intelligence activity and do it covert.

Were you party to any discussions with any individuals here at the Pentagon in the late '85 or early '86 time frame about the wisdom of transferring any arms to Iran prospectively in terms of white world security assistance sales versus a covert sale?

A I recall a suggestion contained in a draft, I think, National Security Decision document in the NSC, and I think if I can place that in time that was in the summer of '85.

Q That's correct, if you're referring to the draft NSDD that Mr. McFarlane sent Secretary Weinberger and Secretary Shultz and a response was drafted by Mr. Armitage, went through you to Secretary Weinberger.

A Right.

Q That would be your only knowledge prior to Mr. Koch telling you what was going on?

A Yes, as I recall it.

Q Let me ask you a question or two about General Secord, not so much the period when he was employed here at the Pentagon but subsequent to that. It's our understanding that he was on the SOPAG, the Special Operations Policy Advisory Group, that Mr. Koch headed, and then I believe Mr. Armitage took over when Mr. Koch left.

Do you have any knowledge of the reasons why General Secord was taken off the SOPAG?

A No.

Q Let me show you a document -- and again this may not refresh your recollection or change your answer in any way. I'll have this marked as Exhibit 6.

(The document referred to was marked Ikle Exhibit Number 6 for identification.)

Let me tell you what you are looking at. These are answers provided by Secretary Weinberger to the House Intelligence Committee last December, 18 December 86, after these matters became public and a number of questions were propounded to the Secretary. If you will look at Question 4 and Question 5, I'll give you a chance to read that.

(Pause.)

A All right.

Q Secretary Weinberger's response to Chairman Hamilton under Item 5 indicates that General Secord's membership on the SOPAG was terminated on 4 August 86 based upon his failure to provide the Department with financial information, which we understand to be a financial disclosure statement. I simply ask you if prior to seeing this document and prior to my asking you about this in April if that was ever brought to your attention?

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A No, I did not get involved in the SOPAG membership.

Q Were you ever aware of any discussions in late 1985 about United States replenishing Israeli stocks of TOWs or HAWKs for any TOWs and HAWKs which had been sent to Iran or, prospectively, whether we would replenish if they in fact did send TOWs and HAWKs to Iran?

A I think this is the same or similar question I answered in the negative before, and my answer would be no.

Q More or less it was subsumed under the earlier question, but specifically on the issue of replenishment I want to make sure that we've covered it that way.

A Right.

Q I should ask for the record whether you were aware of any diversion of funds from the arms sales to Iran to the contras.

A I was not, prior to November and the Meese statement.

Q And, for that matter, Mr. Secretary, were you ever made aware of any diversion of funds from other programs or diversion of materiel and equipment from other programs to the contras, particularly during the period in which the Boland Amendment cut off all U.S. funding?

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A Well, not from that period, [redacted]

Q Mr. Secretary, one of the things that's under you, although admittedly a level or two down, is security assistance. Let me ask you what your understanding is of the restrictions on third party transfers. If we sell through foreign military sales some equipment, whatever it happened to be, to another country, what are the restrictions, as you understand it, which govern the transfer from that country to a subsequent transferee?

A As I recall it, that requires U.S. Government approval.

Q And who has to provide that approval?

A Who in the U.S. Government?

Q Yes, sir, if you know.

A The law may say the President. I don't know whether that's been delegated.

Q I'm not trying to play any games. I'm just asking what your knowledge is.

A I'm getting an exam on the Security Assistance Act.

Q I understand that there are people at a level lower than you who administer that. My understanding is the law says the President, but by Executive Order he has delegated that to the Secretary of State.

A That's what I expected, right.

MR. SHAPIRO: I know you've been through the provisions of the Arms Export Control Act with other witnesses and, of course, the statute is a matter of public record. Is there any way -- I know you've got your job to do, but is there any way we could elide those questions in this session?

MR. SAXON: I think that's sufficient, with one addition.

BY MR. SAXON: (Resuming)

Q Do you happen to know whether that approval has to be provided before the fact?

A I'm not sure. It's a lengthy piece of legislation and I haven't memorized every bit of it, but I seem to recall the law provides that it be done before.

Q The final area of questions -- just a couple more and I'll be through -- in terms of security assistance and any linkage or quid pro quo arrangements, let me simply ask if, to your knowledge, we have ever had any quid pro quo arrangements with the provision of U.S. security assistance along either of two lines -- either in which the United States has made a condition of our providing security assistance to a recipient country that they aid the contras during the period when we were not permitted to do so directly by the Boland Amendment, or, B, whether any country, any recipient country, has sought to induce our aid, security assistance, by offering to help the contras?

A During the time when it was prohibited by the Boland Amendment?

Q Yes.

A For the U.S. Government to provide such assistance. As amended, your question, the answer to both of these is no.

Q And I certainly understand that the world of security assistance is complicated and there are lots of considerations and we certainly like to help our friends and hope they help us, so I'm not suggesting with the line of questions that these are totally divorced from other factors.

I think, unless a quick look at my notes triggers something else, I think that's all I have. Let me see if my colleagues have anything.

MR. GENZMAN: Let me follow up with one question. I'm not sure I understood an earlier answer, sir. You spoke about an early memo that you had written regarding the possibility of an initiative with Iran, and I believe you mentioned or you indicated that the

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Iranians might be interested in linking --

THE WITNESS: Leaking.

MR. GENZMAN: That's my misunderstanding. Thank you very much. I have nothing further.

MR. KREUZER: I don't have anything.

MR. SAXON: Mr. Secretary, that's all I've got. Let me say while we are still on the record we appreciate your cooperation. You have made yourself available twice now. You've been very helpful and the Committee is grateful.

MR. GENZMAN: Thank you very much, sir.

(Whereupon, at 5:28 p.m., the taking of the instant deposition ceased.)

____

Signature of the Witness

Subscribed and sworn to before me this __________ day of __________________________, 1987.

____

Notary Public

My Commission Expires: ______________________________

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CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

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No Date

UNCLASSIFIED [redacted] [redacted]

Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are [illegible] missiles at Red River Arsenal [illegible] intended for UAE and [illegible] for Korea. Seven of these are intended for tests, but the tests can be foregone.

- The missiles at Red River Arsenal cost $[illegible] apiece. This is not necessarily a firm price, and replacements could cost as much as $[illegible] apiece.

- Thus, the total bill for [illegible] missiles would be $36-[illegible] million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).

- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.

- The modalities for sale to Iran present formidable difficulties:

  -- Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.

  -- Congress must be notified of all sales of $14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.

  -- Thus, even if the missiles were laundered through Israel, Congress would have to be notified.

- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.

  -- While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.

  -- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

EXHIBIT
DOD-5

5379

The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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Exhibit #1
7/21/87 mas

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[illegible]

-- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.

-- Saudi Arabia and the other Gulf States would also be irritated and alarmed.

-- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.

-- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.

-- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

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No Date

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tially Declassified/Released on 23 Jun 1987
under provisions of E.O. 12356
by S. Reger, National Security Council

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U 21524

PROSPECTS FOR IMMEDIATE SHIPMENT OF I-HAWK and I-TOW MISSILES

I-HAWK

- There are 164 missiles available at Red River Arsenal--75 intended for UAE and 84 for Korea. The missiles have not yet been lot acceptance tested, but there is a very low risk of failure. The missiles will be at Red River until about April 1986 for testing.

- There would be no impact on the UAE if we ship their 75 missiles. The program has slipped in other ways, and can be accommodated within the normal production lead time for replacement missiles.

- Korea would have to be consulted to ascertain the impact on their program, if it is necessary to ship any missiles in addition to the 75 mentioned above. Procurement lead time to replace Korea's missiles would be about 33 months.

- To the best of our knowledge, all of U.S. Army I-HAWKs are with units and should not be considered from diversion.

- Unit replacement price of HAWK missiles is about $437.7K; total package price for 50 would approximate $22.5M; for 100 about $45M. Package prices include FMS surcharges.

I-TOW

- Army has about [redacted] TOWs (including 40,000 I-TOW) on hand, against a distribution requirement of about [redacted] About 12,900 I-TOW missiles are available in CONUS depot stocks.

- Based on the numbers, the impact on Army of shipping 3,300 I-TOWs immediately would be serious but not intolerable. No missiles would have to be taken from troops. Based on the seriousness of the requirement, and keeping in mind that the Army would receive TOW-II replacement missiles, it is likely that the Army would reluctantly acquiesce to immediate shipment of the entire quantity.

- Unit price of the replacement TOW-II missile is about $12,200; total package price would approximate $42M, with FMS surcharges.

- Delivery from production of TOW-II pay back missiles to the Army would occur about the beginning of CY 1988. If necessary--though this is not recommended--approximately 2,000 unallocated TOW-II missiles could be delivered from SDAF to Army in second quarter CY 1987.

EXHIBIT DOD-9

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NC Date

[redacted] UNCLASSIFIED

POSSIBILITY FOR LEAKS

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Exhibit #3
7/21/87 mas

There is no good way to keep this project from ultimately being made public. Following are three legal methods together with a brief discussion on the possibility of compromise.

- The President can make a determination, Section 614 of to the Foreign Assistance Act, which would waive the statute which requires the normal Congressional notification under Section 36(b) of the Arms Export Control Act (AECA).

- President must notify the Speaker of the House and the Chairman of the Foreign Relations Committee, provide a written justification, and consult with both the Chairman of the Foreign Relations Committee and the Chairman of the Foreign Affairs Committee. This could be done in a classified, close-hold manne and is the best prospect for eliminating leaks from Congressiona sources. However, the problem would come with actually executi a Letter of Offer (LOA) for the material without disclosing to the entire Security Assistance Community that the President had waived the need for Section 36(b) notification (Headquarters Army, USASAC, and MICOM, all are aware of the legal requirement not to process the LOAs without the 36(b) notification process).

- The OSD General Counsel should be asked personally to confirm that Section 614 is legal under these circumstances, since this authority never has been exercised in this way.

- The President could sign an emergency notification under Section 36(b), waiving the formal 30-day notification period. This requires a certification that an emergency exists, and the reasons therefor. While this notification would be classified, the distribution of the Section 36(b) notice is much broader tha would be true for the Section 614 determination mentioned above. Additionally, the Security Assistance Community would have to be informed that the President had made the emergency determination and waived Section 36(b) before the LOA could be prepared and issued. There would be no good explanation as to why an emergency would exist for this country's purchasing the missiles

- The last option, if time permits, would be to treat the sale as a routine unclassified action under Section 36(b). This woul require the full 50-day notification period (including the 20-da informal notice) for Congressional review. Both systems are in the inventory of the country involved, and it is possible that the notification would flow through without question. This almost certainly would be true for I-HAWKs in the quantity contemplated; the I-TOW quantities might or might not cause speculation.

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D 21526

- A further potential problem is associated with legalities of the third country transfer provisions of the Arms Export Control Act. One provision indicates that we will not authorize a third country transfer to a country we do not sell to ourselves. Another requires the third country to sign further retransfer assurances. Under the circumstances, though, these provisions probably can be overcome or deferred.

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15 MAR 85

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C 2709

Meeting w/Secretary and Deputy
Secretary Defense 15 Mar 85

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Exhibit #4
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by K. Johnson, National Security Council

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85- 1088

C 2710

15 March 1985

MEMORANDUM FOR: THE RECORD

SUBJECT: Breakfast with Secretary and Deputy Secretary of Defense, 15 March 1985

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under provisions of E.O. 12356
by B. Reger, National Security Council

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[illegible] 26187

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7. Question of the support to the Contras came up. The Director noted that we should have another meeting on it but following last week's meeting of the LSG we tended to be leaning towards non-lethal aid. I described the assignment given to Motley to develop different options which could be packaged and then played against Senators Lugar and Durenberger to see what combination of options in a single package might be acceptable to Congress. But I noted at the meeting that there was no agreement that we would be limited to non-lethal aid. The Director said that McFarlane was to meet with Lugar and Durenberger today. In closing the Secretary stated that he had heard that [redacted] had earmarked $25 million for the Contras in $5 million increments

John N. McMahon

cc DDI
DDO
EA/DDCI
EA/DCI
Exec. Sec.
Exec. Registry

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1323

[illegible] 2618

No Date DX 2

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Exhibit #5
7/21/87 mas

5381

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
INTERNATIONAL SECURITY AFFAIRS
AFRICA REGION

[redacted]

MEMO FOR

4/ TOW discussed regarding w/ Rudd & Gaffney in Dec.

[redacted]

4/ TOW paper located in Rudd's safe, meanwhile Rudd has copy.

Original was 3000. definitely [illegible] numbers in stock.

No way to keep transfer secret.

[illegible] said [illegible] possibility [illegible] was to the [illegible].

Thompson finally [illegible] [illegible] one of [illegible] forced to waive Sec. 36B (notice to Hill)

CIA purchase (through [illegible]) [illegible]

x [illegible] / Replace w/ TOW's [illegible] [illegible] [illegible]

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EXHIBIT
DoD-12

Ikle Exhibit #6 7/21/87 mas

UNCLASSIFIED [redacted]

18 Dec 86

D 83

SUBJECT: Questions and Answers for the Record from Secretary of Defense Testimony Before the House Permanent Select Committee on Intelligence, 18 December 1986 (U)

1. The Committee requests a copy of the Army Inspector General/General Counsel report on their investigation of the pricing of TOW missiles transferred to the CIA.

A: (U) Upon completion of the report, a copy will be provided to the Committee.

2. The Committee requests a copy of the Secretary of Defense memorandum and marginal notes on the Draft NSDD of June 1985

A: (U) These are provided at TAB A.

3. Was the basic TOW sold to any other country in the last two or three years?

A: (C) Yes. From FY 1983 to FY 1986, basic TOW was sold to the following countries (quantities in parentheses): [redacted] [redacted] Kenya [redacted] Korea [redacted] Morocco [redacted] Somalia and Thailand

1/21/87

4. Did General Secord have any kind of Consultant contract, or other relationship or post, with the Department of Defense after his retirement?

A: (U) Yes. Following his retirement on 1 May 1983, MG Secord was approved as a consultant appointee for the Office of the Assistant Secretary of Defense (International Security Affairs), specifically for the Near Eastern and South Asian Affairs Region. Effective 11 July 1983, MG Secord was authorized 130 days at a rate of $242.00 per day, but he did not serve any days in a pay status. On 11 July 1984, MG Secord was again approved as a consultant appointee and authorized 90 days at a rate of $242.00 per day, but he did not serve any days in a pay status. MG

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TOP SECRET [redacted] / HANDLE VIA COMINT CHANNELS

Secord's appointment was terminated on 10 July 1985. On 5 August 1985 MG Secord was appointed as a consultant without compensation for up to ten days. This appointment was terminated on 4 August 1986, and the Department has no record of his having been on a duty status on this appointment, with the following exception. On 5 August 1985, MG Secord was appointed as a consultant, without compensation, to the Special Operations Policy Advisory Group (SOPAG). His term on the SOPAG expired effective 4 August 1986. During this one-year term, MG Secord participated in one meeting of the SOPAG, on 15 November 1985. He has not participated since, and this is the last consulting activity in which he participated, according to Department records. Pertinent documentation is enclosed at TAB B.

5. Was General Secord dropped from one of our committees for failing to execute a financial statement?

A: (U) MG Secord served on the Special Operations Policy Advisory Group (SOPAG) from January 1984 to August 1986, although he last participated in November 1985. MG Secord's membership on the SOPAG was terminated, effective 4 August 1986, based upon his failure to provide the Department with financial information (as required in form SF 1555). Amplifying information is enclosed at TAB C.

6. Have any FMS or other arms sales by the Department been made to any "agents or middlemen" as opposed directly to a recipient country?

A: (U) No FMS or other arms sales to foreign countries have been made by the Department through a private agent

RICHARD V. SECORD CONSULTANT HISTORY OSD - POLICY

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D 101

Date of Appointment	Office	Days Approved	Salary per Day
Initial Appt --07-11-83	ISA/IO/NESA	130	$242.00
Renewal eff -- 07-11-84	ISA/IO/NESA	90	$242.00
Termination eff --07-10-85	ISA/IO/NESA		
Appt to SOPAG* eff --8-5-85	ISA/SP	10	WOC
Appointment expired 8-4-86 -- Request to renew app fwded to Personnel 9-11-86			
Termination 52 fwded to Personnel 10-23-86 w/requested eff date of 8-5-86, based on Secords refusal to provide SF 1555			

*Special Operations Policy Advisory Group

Secord (DA)
Consulting
([illegible])

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ORIGINAL

OFFICIAL TRANSCRIPT OF PROCEEDINGS

BEFORE THE

HOUSE SELECT COMMITTEE

AND

SENATE SELECT COMMITTEE

COPY NO 1 OF 2 COPIES

CASE No. ____________

In the Matter of:

COVERT ARMS TRANSACTIONS WITH IRAN

-AND-

SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION.

(Deposition of the Honorable D. LOWELL JENSEN)

4247

Place San Francisco, Ca.

Date 7-6-87

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Pages 1 thru 74

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO, CALIFORNIA 94102

CHAMBERS OF
D. LOWELL JENSEN
UNITED STATES DISTRICT JUDGE

July 27, 2987

Corrections

Page 9	Line 8	Eliminate 'exact title'
Page 28	Line 19	"I could give" should be "I could not give"
Page 45	Line 20	"I agree" should be "I agreed"
Page 48	Line 25	"think it" should be "think I"
Page 59	Line 6	"a proper" should be "improper"
Page 66	Line 6	"recall not" should be "recall no"
Page 70	Line 10	"perhaps return" should be "perhaps returning"

D. Lowell Jensen
United States District Judge

Partially Declassified/Released on 1-15-88
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BEFORE THE

HOUSE SELECT COMMITTEE
TO
INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN

AND

SENATE SELECT COMMITTEE
ON
SECRET MILITARY ASSISTANCE
TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION UPON ORAL EXAMINATION OF

HONORABLE D. LOWELL JENSEN

BE IT REMEMBERED that, pursuant agreement, and on Monday, the 6th day of July 1987, commencing at the hour of 9:30 a.m. thereof, in Courtroom 3, United States Court House and Federal Building, 450 Golden Gate Avenue, San Francisco, California, before me, JAMES W. HIGGINS, Notary Public in and for the City and County of San Francisco, State of California, personally appeared

HONORABLE D. LOWELL JENSEN

called as a witness by the Select Committees who, being by me first duly sworn, was thereupon examined and interrogated as hereinafter set forth.

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UNITED STATES SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION, represented by W. THOMAS MC GOUGH, JR., ESQUIRE, appeared as counsel on behalf of the Select Committee.

HOUSE OF REPRESENTATIVES SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN, represented by ROBERT W. GENZMAN, ESQUIRE, appeared as counsel of behalf of the Select Committee.

UNITED STATES DEPARTMENT OF JUSTICE, represented by THOMAS S. BOYD, ESQUIRE, appeared as counsel on behalf of the deponent and the Department of Justice.

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DEPOSITION

9:30 a.m.

Whereupon,

HONORABLE D. LOWELL JENSEN

was called as a witness by the Committees, being duly sworn by the Notary Public to tell the truth, the whole truth, and nothing but the truth, testified as follows:

MR. MC GOUGH: Good morning, Judge Jensen. I am associate counsel with the Senate Select Committee on Iran. Seated to my left, is Bob Genzman who is--

MR. GENZMAN: Associate minority counsel for the House Committee.

MR. MC GOUGH: If Mr. Boyd would introduce himself and indicate who he represents here this morning.

MR. BOYD: My name is Thomas M. Boyd. I am deputy assistant attorney general for the Department of Justice. I am representing Judge Jensen in his capacity as a former employee of the Department during the time in which is relevant to the inquiry of the Congressional Committee.

MR. MC GOUGH: Thank you, Mr. Boyd.

Judge Jensen, obviously, is there is any question that I ask that you don't understand, just stop me and ask me to clarify. I will be happy to do it.

//

EXAMINATION

BY MR. MC GOUGH:

Q Let us start by getting a little bit of background. Could you tell me when you joined the United States Department of Justice?

A Came to the Department of Justice in April 1981 as Assistant Attorney General in charge of the Criminal Division.

Q Let me back up a moment. What were you doing immediately prior to joining the Department of Justice?

A Immediately before that I was the District Attorney of Alameda County, California. I had been the district attorney there for sometime.

Q And you were Assistant Attorney General for the Criminal Division from approximately April 1981 until approximately May 1983?

A That is correct. Then, I became Associate Attorney General.

Q Let us stop for a moment. Can you tell me about your responsibilities, over what portions of the Department of Justice you had supervisory authority when you were Assistant Attorney General?

A The Criminal Division is one of the litigating divisions. I had direct supervision and responsibility for that. The Criminal Division has a

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variety of relationships to, basically, U. S. Attorneys that are supervisory. So that I the responsibility with criminal matters before the Department with U. S Attorneys. There is no direct supervision within the other components of the Department of Justice.

Q To whom did you report as Assistant Attorney General?

A I reported to the Associate Attorney General, the Deputy, and the Attorney General. The chain basically, in terms of criminal, would be from the Attorney General to the Deputy, to the Associate, to the Criminal Division, to the U. S. Attorney. So I then, reported to the Rudy Guiliani.

Q I believe you said that you said you became Associate Attorney General in May 1983?

A That is correct.

Q Tell me what your responsibility was in that position at that point?

A The Department had been constructed in such a way that criminal components of the Department reported through the Associate to the Deputy and to the Attorney General. So, my responsibilities at that point would be broader and would include U. S. Attorneys and their criminal activities, as well as relationships to the criminal investigative components of the Department.

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Q Would your responsibilities, in one form or another, all be related to criminal work?

A Yes, they would be. The basic functional distinction was between civil and criminal, although there is somewhat of an overlap. But the basic functional distinction and the responsibilities with the Associate would be referenced to the criminal activities of the Department.

Q And, during your tenure as Associate Attorney General, did you report to the Deputy Attorney General?

A Yes, I did.

Q I believe you were Associate Attorney General to approximately April 1985; is that correct?

A That is correct. Although it would be a little bit before that. That is correct, but I was also Acting Deputy Attorney General. When Ed Meese came to be the Attorney General, at that point the previous Deputy Attorney General had gone; and, so, I served in both capacities.

Q Approximately what time was that?

A That would be from about February, March 1985 on.

Q What were your responsibilities as Deputy Attorney General?

A As the Deputy -- which is the No. 2 position in the Department, as you know. The Deputy has supervision and responsibility for all of the functional activities of the Department. All of the components report through th Deputy to the Attorney General. The Deputy serves as the Attorney General in his absence.

Q I would assume that, as Deputy, you reported directly to the Attorney General?

A That is correct.

Q In any of the positions, be it Assistant, Associate of Deputy Attorney General, did you ever attend National Security Council meetings?

A No; I never did.

Q What was your first contact with Colonel Oliver North of the National Security Council, if you remember?

A I believe that it would have been at the time when I was in the Criminal Division, or about the time I became Associate. I think that the first time I recall was with reference to the formulation of some National Security Directives that were being developed, and there was an issue of review by the Department of Justice in terms of its impact upon the Department.

Q Were those National Security Directives related to either Central America or Iran?

A No, they were not. They were general, with

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reference to the responsibility of the Department, I believe, in terms of the intelligence investigations.

Q Did you serve on any working groups, r subgroups, or interagency groups with Colonel North?

A Yes, I did. There were a series of groups that had to do with I think the terrorists incidents group and a group that they reported to. I don't recall the exact title exact titles of these groups. But, in that chain, they were essentially related to operational responsibilities of terrorist incidents, and I served on those groups.

I also was on the advisory committee that dealt with the issue of, for the Vice President, of coming up with policy with reference to terrorism.

Q And Colonel North served on that, as well?

A In his capacity as member of NSC.

Q In the groups that you had in common, approximately how often would you meet with Colonel North?

A These were not regular meetings, I think. While we were doing the work on the Vice President's task force, there were a series of meetings; and I would maybe a monthly basis for awhile until it was completed. There were more frequent meetings when we were dealing with actual terrorist incidents. But, other than that, there were virtually no contact.

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Q And setting aside for a moment an incident, or an episode, where the Attorney General and Colonel North and a document relating to Iranian Initiative, did you have any contact, other contact, with Colonel North regarding either Iran or Central America?

A No, I did not.

Q I like would like to discuss for a few moments the standard procedure at the Department of Justice for national security or intelligence findings and, [redacted] [redacted] if I could. Let's start with findings. What, if any, contact or consultation would the Department of Justice have on intelligence findings?

A There would be contacts through the NSC structure. The Attorney General was a member of the NSC. So that would be our relationship to the final decision making process on that. If there were issues where the Department of Justice would look at at, it might be looked at by the components that might be interested in it. It may have been through -- I would have had an interest where the criminal division may have been an investigative responsibility. It may have been through the intelligence policy portion of the Department.

Q The Attorney General sat as a member of the National Security Council. Was there a formal mechanism for review of findings by the Department of Justice?

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A I don't know if there was a formal. It would depend upon, in effect, what the circumstances were.

Q Do you know if the Department of Justice reviewed each intelligence finding that was issued?

A I don't know that that is so.

Q Was there an Associate or an Assistant Attorney General for intelligence policy?

A Yes.

Q To whom did he or she report?

A Basically, the assistant in charge was Mary Lawton during the time when I was there as Associate of Deputy. And, basically, that kind of office reports directly to the Attorney General. But, by definition, since the Deputy is in that administrative responsibility, they reported through the Deputy to the Attorney General.

Q And what generally were the responsibilities of the Assistant Attorney General for Intelligence Policy?

A In the whole area of the responsibilities of the Department that might be related to intelligence activities of the Department's investigative or prosecutive advice. [redacted]

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[redacted]

Q The intelligence policy review, I assume, would take place at the level of Assistant Attorney General for Intelligence Policy?

A Or one of the members of that particular office. There were maybe two or three persons who specialized in that area within that office.

[redacted] When did you first have any contact with intelligence findings?

A I can't make a specific reference to that. I don't know of any specific instance. I would have to -- perhaps if there--

Q Let me qualify that question. I wasn't looking for a date so much, as what position you occupied.

A I could have been at the Associate level.

Q Can you give me an estimate of approximately how many intelligence findings you might have had contact with at that time?

A It could not be very many. No more than one or two, I would think. I don't really have any recollection of more than that.

Q I am going to ask you about some specific subject matters of intelligence findings. And, my question to each of them will be whether you ever reviewed any, or were familiar with any findings relating to the subjects, first being Iran.

Did you ever review, or were you familiar with, any findings involved in Iran?

A Not specifically with reference to findings, no.

Q We could qualify that with the one episode that we referred to?

A That is correct. I made a reference to that. I believe that that -- I saw a document with reference to that subject matter, but I don't recall that that was a finding.

Q Other than that document, do you recall any intelligence finding or documents relating to Iran?

A No, I don't.

Q How about Central America, and contact with findings in that area?

A No.

Q Do you ever recall having any contact with, or hearing about, a finding involving the Drug Enforcement Administration?

A I recall the subject matter of DEA and hostages, and the passage of information; but I don't recall seeing or being involved with a specific finding with reference to that.

Q We will talk a little more about the DEA-hostage incident in a few minutes. But, in the context of the discussion of the DEA, do you recall any discussion of a finding or a need for a finding?

A No; I don't know that I do.

Q Do you ever recall seeing or being involved with, or learning about, a finding that might have been retroactive, that is, a finding that followed an intelligence activity?

A No, I don't.

Q Do you ever recall discussions involving, or have you ever been involved with a finding that was oral, as opposed to written?

A No.

Q Do you ever recall discussing or being involved with a finding that called for a delayed, or delay

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in notice, to Congress?

A I don't recall such.

Q Let us talk about your contact with [redacted] [redacted], if we could. I believe you said you first, you might have first -- let me back up a moment.

In which of your positions would you first have come in contact with [redacted]

A As Deputy Attorney General. I was aware at the Associate level that there was such an activity, but I did not have a direct responsibility with reference to that. But, in those instances where the Attorney General was not in Washington, I would be Acting Attorney General and the [redacted] would be submitted to me in that capacity; and I would review and act as Attorney General on those [redacted]

Q [redacted]

A Well, over the period of time when I was Deputy, I must have handled maybe [redacted] of them.

Q During that period of time, did you have any contact with, or ever learn about findings that related to [redacted]?

A If it was [redacted] [redacted] I may have had some--

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Q [redacted]

A

Q

A

Q But outside of that, you don't recall any?

A No.

Q [redacted]

A No.

Q [redacted]

A No, I don't. [redacted] That may have been a part of these operational groups that I have talked about. But I did not have any direct involvement in that. But I know that there were discussions about that.

Q Were you ever contacted by anyone outside of the Department -- back up, strike that.

Were you ever contacted by anyone with the request to expedite a signature on a finding, or approval of a finding?

A No; I don't recall any such.

Q Never contacted by Colonel North or by Mr. Allen of the CIA?

A I don't recall such.

Q I would like to shift, if I could, to what has become known as the Iranian Initiative. I believe, when we spoke before, you indicated that you recalled a meeting with the Attorney General and Colonel Oliver North in which you reviewed a certain document in the Attorney General's office?

A That is correct.

Q Up until that meeting, had you had any contact with the Iranian initiative, and, by that, attempts to improve relations with Iran, or strengthen moderates, or free hostages by the sale of arms or other goods?

A No; I had not.

Q Do you recall how that meeting came about?

A No; I don't know how it was scheduled. believe that I was asked, or the notice came down, to my knowledge, from the Attorney General's office to come up to such a meeting.

MR. MC GOUGH: We have been provided, via Mr. Bolton's office, with what I am going to have marked as

Deposition Exhibit 1.

(The document referred to was marked Deposition Exhibit No. 1 for identification.)

BY MR. MC GOUGH:

Q Judge Jensen, do you recognize Exhibit 1?

(The document was proffered to the witness.)

A That is a part of the logbooks that were kept by my office as to meetings that I attended.

Q This would have been your own calendar?

A That is correct.

Q For the date January 6, 1986?

A That is correct.

Q Who would have made the entry on this?

A My secretary would have done that.

Q Did she make the entries, was there a practice of making entries in advance of meetings, or after meetings, or both?

A In most instances, before; in some instances, it would be after. I would think that, in the regular course of business, it would be before; and, on occasion, some of these meetings would be canceled, so there would be a notation to me that the meeting did not take place. That sort of thing.

Q If this particular meeting had been canceled, what would you expect to see?

A Some indication that it had not taken place.

Q Now this is Monday, January 6, 1986, a 3:35, I believe?

A Apparently so.

Q Or some time after, between 3:30 and 4:00 o'clock, and it list "AOG, AG and O. North." That would be the Attorney General and Oliver North. And would AOG be Office of Attorney General?

A Yes, it would be.

Q To the best of your recollection, was this a meeting to which you were referring to earlier?

A This is -- when we talked about this before, I did not know the specific date. I have only been -- When we looked at the logs, as far as I could see, this would be the meeting.

Q Do you ever recall any other occasions where you have met with Colonel North and the Attorney General?

A No; I don't recall any other occasion.

Q Looking at your calendar, can you recall how far in advance this meeting was scheduled?

A No, I can't.

Q Could you? Is there any way to derive that from the calendar by the way the calendar was kept?

A No; the calendar would not indicate that.

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Q Can you tell us, can we -- we may or may not be able to infer -- can we infer from this that this meeting was prescheduled, that is, it one was where you were asked to come up to the Attorney General's office, or there was meeting scheduled with the Attorney General and Oliver North?

A It was. I would think it was prescheduled. The difficulty with that being that it could have been prescheduled that day.

Q I guess what I am to distinguish is, you being in the Attorney General's office when Oliver North happened to stop by?

A I think that there was North scheduled in the sense that my secretary made a note of the fact that I should be there for that purpose; and at what time it became operational, I don't know.

Q Can you tell me what occurred at that meeting, as best you can recall?

A The meeting was because Mr. North provided a typewritten paper, either a page or two pages, and that was the first time that I had seen anything that described the issue of passage of arms to Iran.

Q Do you recall what, if anything, Colonel North said when he presented the paper?

A I don't believe he said anything; just

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presented the paper.

Q Let us talk about the paper for a moment. What do you recall about it?

A I recall it was a typewritten document with that subject matter.

Q Do you recall what kind of paper it was on?

A No, I don't.

Q Was it on White House stationery?

A It could have been; I don't know that it had any designation as such.

Q It referred, I believe you said, to arm sales to Iran?

A That is correct.

Q Did it refer to the involvement of any third country?

A I believe it had a reference to the fact that the passage of the arms would be accomplished through Israeli participation.

Q Did it describe the arms at all?

A I believe it described it as missiles, but I don't know that I could recall any further description, as to what kind.

Q Do you recall whether they were TOW Missiles, or HAWK Missiles or SIDEWINDER Missiles?

A I guess TOW, more likely in my recollection than any other description.

Q Do you recall whether it appeared to be a final document or a draft?

A I don't know that I could say. But I think probably my recollection would be in terms of a draft, but I don't know that I could pinpoint that.

Q Do you recall whether there was a signature line?

A No, I don't.

Q Or a place for a signature?

A I don't.

MR. MC GOUGH: I would like to have this marked as Deposition Exhibit No. 2.

(The document referred to was marked Deposition Exhibit No. 2 for identification.)

BY MR. MC GOUGH:

Q Judge Jensen, let me show you what has been marked as Deposition Exhibit 2. This is an unclassified, or a declassified, document which has already been introduced during the hearings as Sporkin Exhibit 10.

What I would like you to do -- and let me just say that the way I went about this was: having been informed of the date of the meeting, I tried to pull the documents that we had in our possession that were dated in or around

January 6. What I would like you to do is to take a look at Deposition Exhibit 2 and see if this -- let me back up -- or a portion of this, or all of it, may be what you saw on January 6.

(The document was proffered to the witness.)

A (After a pause.) I have looked at the papers, counsel. I may have seen a portion of it.

Q Can you identify what portion?

A The first page, and I guess the best way to describe it would be by this number; is that right?

Q Yes. Well, there is a classification cover sheet.

A I recall seeing that. I don't recall that I had any knowledge of the contents of the description there. I don't believe that I saw this at all.

Q When you say "this," are you referring to 1249?

A That is correct.

Q Would you repeat again what you said about 1249, you may have seen it?

A No; I don't believe that I did.

Q All right.

A I think that I may have seen the remaining pages, 1251, 1252, 1254; 1253 is blank?

Q That was a page that was Tab A and said 1253, then 1254.

A This is consistent with the materials that I saw.

Q You say "consistent with"?

A In terms of the subject matter.

Q Is it consistent, as best you can recall, with the format of what you saw?

A I believe so.

Q That is a cover memorandum, and this is really the pages, 1251 through 1254?

A That is correct.

Q That is broken down into two parts: a cover memorandum, and a finding at the end. Does this refresh your recollection, or look more familiar?

A It does look, and I don't know that I could say that, with some further recollection, that this is the specific document. But, as I say, it is certainly consistent with what I described before, what I recall.

Q Do you recall a finding being attached, that is, a proposed finding, like the one at 1254?

A It may very well have been.

Q Now you have taken a moment to read, and I apologize for the quality of the copy. We had to work with what we get. But, you have taken a moment to read it. Substantively -- let us refer first to 1251 and 1252.

Substantively, does that correspond with your recollection?

A Yes, it does.

Q Was there anything -- I don't want to take it any more specifically than you can get; but, was there anything in pages 1251 and 1252 that you did not believe you received in the meeting with Mr. Meese and Colonel North from the documents that you reviewed?

A Well, just briefly looking through it, I don't know that I could say that.

Q Looking at page 1252, at the bottom, there is a recommendation portion. Do you recall whether that was on the document you saw, or not?

A No; I don't recall.

Q But, to the best of your recollection, what you saw was something other than just a plain finding, like page 1254?

A I believe so.

Q Now, having reviewed that document, can you recall anything more about the discussions that took place in that meeting, or how the document was presented?

A It was simply presented and I took it for informational purposes.

Q Was there any discussion between, that you can recall, between Colonel North and Attorney General about the document?

A No; there was no colloquy about the document.

Q Did the Attorney General pass the document to you at some point in time?

A Yes, I read it.

Q Do you recall receiving any instructions, or did you know why you were reading it?

A No; actually, I took it as being made aware of the fact that this was a development. As I pointed out, from time to time, I would serve as Attorney General. It was part of our regular practice to know at least that information, and I would give it to the Attorney General. He would do the same thing so that we were basically aware of what was in existence.

Q Do you know why you were asked to attend this meeting?

A No; I have no specific reason for it. But, as I say, it would be the normal course of business for me to be at such a meeting so that I would be aware of developments.

Q Did you and the Attorney General, either in Colonel North's presence or after -- first of all, how long did the meeting -- how long was Colonel North present?

A It was very short, no more than 15, 20 minutes, I believe.

Q Did the Attorney General give Colonel North any instructions, or say anything about the document that you can recall?

A No, no instructions.

Q Did he approve the document?

A No; there was no activity taken with reference to the document then.

Q Was the Attorney General asked for an opinion about the document, or did he express an opinion about it?

A No; simply that it was presented.

Q Either while Colonel North was there, or after he left, or, for that matter, at any other time, did you discuss that document with the Attorney General?

A After he left, we simply discussed the fact that it had taken place. But that was the last time I discussed that topic with the Attorney General.

Q What did you discuss about the fact?

A Simply that it had taken place; as I say, it was informational.

Q Did you find it surprising that the NSC, or someone, was proposing arms sales to Iran?

A I think that I did, just in terms of the fact that it was taking place.

Q Did you discuss that with the Attorney General?

A I think we probably did. I don't recall specifically, but it was the first time I had heard about that and it was obviously a new and different development.

BY MR. GENZMAN:

Q I will ask you to just describe what you mean when you say it had taken place?

A The fact that there was such information that had been brought to my attention.

BY MR. MC GOUGH:

Q Were you aware, from your conversation or meeting with Colonel North, or afterwards, whether this document was being presented in anticipation of that activity?

A I don't know that I was aware; it appeared so.

Q Was there any discussion of prior transactions with Iran?

A No, there was not.

Q In your discussions with the Attorney General, did it appear that he was learning of it for the first time?

A I don't know that. I could give you an opinion about what he was learning, or what his reaction, or what his state of knowledge was. I simply don't know.

Q Did he indicate to you whether or not he had had any prior discussions involving the Iranian initiative?

A No, he did not.

Q Did he indicate to you that a decision had, in fact, been made to sell arms to Iran?

A No; I don't think that it was. Not a specific discussion with reference to that. It appeared as though this was at a point where it either had or would be.

BY MR. GENZMAN:

Q Do you recall how long you spoke to the Attorney General after Colonel North had left?

A A short period of time.

BY MR. MC GOUGH:

Q Five or ten minutes.

A No more than that, certainly.

Q Did you discuss with the Attorney General the relative merits or demerits of selling arms to Iran?

A No.

Q Do you recall a discussion of American hostages?

A I was looking at page 1252 and there is a portion of a discussion there. And, frankly, I don't have any recollection of that, and I don't know. This may indicate, perhaps, I had not seen this document because I don't have a recollection of discussing that.

Q Of discussing the hostages?

A Yes; that is correct, with relationship to this.

Q Do you recall discussions of moderate elements

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in Iran?

A Yes, I think so.

Q And you recall discussions, or you recall seeing in the document, something about Israel being involved?

A Yes, I believe so.

Q Do you recall any reference in the document, or discussion of, the statutory authority under which that arms sale would take place?

A I believe there was a reference, but I don't recall the specifics.

Q You say a reference, there is a reference in 1251 to the Arms Export Control Act.

A Yes; that may be -- I would say that is consistent with my recollection.

Q Do you recall discussing any requirement of Congressional notification?

A No; I don't recall any specific discussion to that effect.

Q Do you recall any discussion of the relative merits or demerits of conducting the transaction under the Arms Export Control Act, as opposed to the Economy Act, or the National Security Act?

A No; there was no discussion like that.

MR. GENZMAN: Allow me to get in another

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question while you are reviewing the document.

BY MR. GENZMAN:

Q You may have answered this, but I did not hear it if you did. Do you recall whether there was any discussion with the Attorney General about the subject matter before Colonel North arrived?

A No, there was not?

A Do you recall whether Colonel North was already present by the time you arrived at this meeting?

A I don't, but I don't think that he was. I think, characteristically, most of the instances where there were meetings, I would go up and be with the Attorney General; then, whoever it was, would come to the meeting. I believe that happened here.

BY MR. MC GOUGH:

Q Did you discuss, do you recall discussing the respective roles, or the proposed roles for the CIA or Department of Defense, or NSC, in the initiative?

A No discussion of that nature.

Q Did you take any notes at the meeting?

A No, I did not.

Q Do you know if the Attorney General took any notes?

A I don't believe so.

Q Do you recall whether Colonel North left a

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copy of the document?

A I believe he did not.

Q You believe he took the copy with him, a copy of the document with him?

A Yes, he did.

BY MR. GENZMAN:

Q Were any marks made on the document by any of the participants in the meeting?

A No; I don't believe so.

BY MR. MC GOUGH:

Q Were there any discussions as to who should be advised of the document, or shown the document, prior to its submission to the President?

A No; I don't believe there were.

Q Were you asked to give any input on the decision?

A No; there was no description of further activity.

Q And you were not asked to do anything, or to render an opinion on anything?

A That is correct.

BY MR. GENZMAN:

Q Were any other participants asked to do anything more with regard to the document?

A No.

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BY MR. MC GOUGH:

Q And, to the best of your recollection, you never discussed the Iranian initiative with the Attorney General again?

A That is correct.

Q Until perhaps after?

A Until after the entire matter--

Q --became public?

A Became public, that's right.

Q Do you recall whether there was any discussion of Admiral Poindexter attending the meeting that afternoon?

A No, there wasn't.

Q Was there any reference made to Admiral Poindexter in the meeting that you can recall?

A No discussion of that.

Q Was there any discussion, or were you ever made aware, of who had seen or drafted, or approved, the document that you saw?

A No, other than the document itself.

Q Can you recall anything further about your discussions with the Attorney General or Colonel North?

A I cannot.

Q On this topic?

A Not at this moment.

MR. MC GOUGH: I am going to turn to the

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subject of DEA. If you have any questions on this subject, maybe we ought to clean them up now.

MR. GENZMAN: I have nothing further on that.

BY MR. MC GOUGH:

Q Let us shift gears for a moment, Judge Jensen, and talk about the Drug Enforcement Administration involvement with hostage location and rescue. First of all, some general questions:

Can you state for the record how the Drug Enforcement Administration fits into the Department of Justice?

A Since a decision from Attorney General Smith had the DEA report through Director Webster of the FBI, it has had a relationship to the Department where DEA has specifically defined roles with reference to their investigative responsibilities. But they report through the Director of the FBI to the Attorney General. In essence, then, the FBI reports to the Deputy and the Attorney General and does not go through -- it is the way the organizational chart is set up -- directly through the Associate, for example. But there is a relationship there in terms of criminal responsibilities. But DEA reports through the FBI, is what the answer is basically.

Q And the FBI reports through the Deputy to the Attorney General?

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A That is correct.

Q And Mr. Jack Lawn was Director of the Drug Enforcement Administration?

A During that time, there was a period of time when Mr. Mullen was Director and had a relationship to it at one time. But most of the time that I was in the position of either Associate of Deputy, Jack Lawn was Director.

Q And Lawn is L-a-w-n?

A That is correct.

Q When did you first learn -- and again, put it in context of the position you were in, if you can--

A I think it would have been in 1986 when I would have been Deputy.

Q My question is: When did you first learn that they had some role or function in the hostage location?

A I think it was around then, too.

Q So it would have been sometime in 1986?

A I believe so.

Q Do you recall from whom you learned that?

A I don't know specifically. It would come, the flow of information would either come from DEA, or there were occasions where information comes via the Attorney General and he discussed it with me first. It may have been that there was a discussion with the Criminal Division. There is a relationship to responsibilities with reference

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to investigation of kidnappings and hostages. That is related to the Criminal Division. So there were occasions when I would discuss these decisions with members of the Criminal Division who had responsibilities in that area. So I can't tell you a specific person who was the first; it may have been just brought to my attention. It would have been in that chain of information.

Q And what did you learn about the DEA's role in the hostage question?

A It was a question of whether DEA would participate in some efforts to locate and retrieve hostages, based upon their contacts with persons in those specific geographic areas.

Q Did your awareness of this possibility come in advance of the DEA's activities?

A I believe so.

Q Do you recall specifically what their role was to be, as best you understood it?

A As I understood, DEA, of course, has an overseas presence, had an overseas presence in this time. And, as a result of their responsibilities to gain information of that narcotics traffic, they would learn other kinds of corollary information and, in these instances, that there was information that might have come through their sources that related to the hostages.

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Q Did you understand them to have any operational function in the rescue or return of the hostages?

A No, I did not. They did not have operational responsibilities overseas. They were basically information and they did not have, and I don't think it was contemplated that they would have a change in their regular role.

Q When you say they did not have operational responsibilities overseas, were they barred from conducting foreign operations?

A They do not conduct foreign operations in terms of direct investigative activities. It would have worked through the authorities of the country where they happened to be. So they would not on their own be engaged in investigative, or any kind of direct action activities.

Q Would they conduct, with their own personnel, undercover operations overseas?

A No; they would not conduct their own directed, controlled, and administered undercover operations. That would be deemed to be an operational activity I believe they would not be involved in.

Q And they would do that in coordination with the host country?

A That is correct.

Q Do you recall learning of an aspect of the

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DEA's involvement that included payments of one kind or another to persons overseas?

A I believe that that was a part of the description: that there would be payments to the people who provided them information and who would be, in effect, the contacts that they had.

Q But you understood that to be payments for information, as opposed to bribes or ransom?

A I believe so.

Q Do you recall the magnitude of the payments they were talking about?

A No, I don't; I don't know specifically. But I think it would be a significant amount.

Q What would you consider significant?

A I don't consider, if you are paying informants, you could pay them in the range of hundreds of dollars. I think it was much more than that.

Q Would it have been in the range of thousands or hundreds of thousands?

A I would think -- I don't recall, but I think more the latter.

Q The hundred thousands?

A That is correct.

Q Was there any discussion that you recall, or do you recall any discussion of the source of any funding for that operation?

A There was -- you mean the source of the funds themselves?

Q Yes.

A I don't recall any such discussions.

Q Was there any discussion of the use or inclusion of privately raised money in this aspect, in this operation?

A I don't believe so, with reference to this; but I don't--

Q To your knowledge, does the DEA have any prohibition, or is there any prohibition on DEA Agents that would prevent them from handling private funds or unappropriated funds?

A I don't know that I could give you a chapter and verse with reference to this. But, by and large, the activities would not include that kind of arrangement in that DEA would be working with their own funds either developed by appropriation or from activities themselves.

Q If there had been discussion of the use of private funds, or the handling of private funds by the Drug Enforcement Administration, would that have triggered some kind of awareness on your part?

A I believe so.

Q Do you recall whether the Attorney General was aware of DEA's proposed--

A I believe that he was. I think this was a part of, once again, general discussions about these issues. As I said, it was a part of out practice to try to make sure that any development the department would be known to the Attorney General.

Q And I assume that it was your understanding that Mr. Lawn was aware of the activities?

A Yes, I did.

Q How about Bud Mullen?

A I don't know that he was still there. It would not be both of them in that, Jack Lawn succeeded Bud Mullen. But, at a point, he was his assistant, so that it is possible that there was an overlap. But I don't think so. I don't have a recollection of this Mullen being a part of this.

Q Do you recall any references to agents by the name of [redacted] or [redacted]?

A That could be. I don't have a recollection of the specific agents, although I think there was a discussion about who were DEA Agents involved.

Q Would you recall any discussion about the need for a finding, an intelligence finding, in this area?

A I don't recall that there was. Whatever needed to be done to make sure that the operations of the agents was consistent with their responsibilities would have been a part of the discussions. But I don't know the terms and specifics. I don't think it got to the point where there was a description of an agreed upon operational plan.

Q Do you recall if any outcome came about from these efforts? And let me -- in the present context, that is a dumb question.

Were you ever advised, during your tenure with the Department of Justice, were you kept advised of the evolution of this plan?

A There was no specific periodic reporting. It was more on an event basis. As information that seemed to be relevant to the needs of the Attorney General, or the Deputy, would come about, that information would flow; but there wasn't any follow up in terms of specific reporting that went on with reference to this.

Q Do you recall any specific events that were brought to your attention?

A I don't, at this time.

Q Do you recall any discussion of Colonel North in this initiative?

A I am not sure, but I think there was some relationship in terms of mutual interest and mutual activity that may have been involved. But I don't --

beyond that, I think, I think I do recall that there was a recognition of the overlap.

Q Do you recall either in this context, or in any related context, discussion of an alleged Saudi prince by the a name of [redacted]?

And just by way of background, Mr. [redacted] was a person who, our investigation has revealed, billed himself as a member of the Saudi Royal Family to other individuals, was involved with some of the people whose names have come up in the course of the investigation. He was ultimately, I think, as of January of this year, convicted in the Eastern District of [redacted].

A I was aware of that, but I would not be able to give you that name directly. But I believe that I was aware of such a circumstance and that there was a relationship to that kind of a described person.

Q When you say "relationship," do you mean in the context of the DEA operation?

A More in the context of the hostages in terms of whether there might be any activities that may have been taking place with other persons, or other activities. And I think that I was aware of -- I would have to know more about the specifics; but I believe I have a recollection of that kind of activity where there was an issue of bona fides, or something, of the individual involved.

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Q Do you recall any involvement with Colonel North with that activity?

A I don't know specifically, but I think generally that he would have had some knowledge about that, or been aware of it. It would clearly be the sort of thing that would be an overlapping interest.

Q In the context of the Saudi prince, or the alleged Saudi prince, do you recall the name Richard Miller arising? Mr. Miller is the principal in a Washington public relations firm called International Business Communications.

A I don't, I am not aware of that name.

Q Do you recall whether you ever learned that this Saudi prince was operating with private individuals in this country to assist him?

A It may have been part of a description as to the activity, but I don't know specifics with reference to that.

MR. MC GOUGH: Bob, do you have any questions on DEA?

BY MR. GENZMAN:

Q Let me ask a question regarding the Saudi price. I believe his name was determined to be [redacted] [redacted]. Does that ring a bell to you?

A That name does not do anymore for me.

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MR. GENZMAN: I have nothing else.

BY MR. MC GOUGH:

Q Let us turn to [redacted] Can you recall your first contact with the [redacted] case or circumstance?

A When it was being developed, about the time the actual information about the case came in. I believe I had heard about it before there was an arrest.

Q Do you recall a point in time when the Department of Justice was asked to intervene on [redacted] [redacted] behalf?

A I have a recollection of something with reference to that after he had been convicted.

Q Do you recall what?

A More in terms of how it was being handled in the context of his custody.

Q Do you recall with whom you discussed that?

A I believe it was with Steve Trott of the Criminal Division.

Q What can you recall about the proposal?

A What was being proposed, and it would be in the general notion that, something that would be other than the ordinary handling of [redacted] would be contemplated. There were activities like that from time to time where the Department would take some kind of action with reference to

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the custody status, or the location of individuals who were in the federal custody. I think that is what the subject matter was: as to whether or not there would be some specific step taken with reference to [redacted]

Q When you say "specific steps," what--

A Whether there may be, or how his custody status may be handled.

Q Whether there was a request that he be shown some leniency, or some consideration in that direction?

A I believe that is the way you would describe it.

Q Do you recall why [redacted] was to be, was supposedly entitled to extra consideration or leniency?

A No, I don't.

Q Do you recall having an opinion as to the appropriateness of showing leniency towards [redacted] [redacted]?

A Whatever may have been the showing, I think that I agree with the estimate that there was no reason to do that.

Q Is it your recollection that the decision was made not to take any extra steps on behalf of [redacted]?

A Yes, later on.

Q Do you know who contacted Mr. Trott, in the

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first place?

A I don't know.

Q Did you ever discuss the [redacted] incident with Colonel North?

A No, I believe not.

Q Did you ever discuss it with Elliott Abrams?

A No.

Q Do you know Elliott Abrams?

A Yes; I know Elliott Abrams.

Q Did you ever discuss the [redacted] case with the Attorney General?

A No specific recollection, but it probably would have been discussed it with him, with the Attorney General. But again, this would be a subject matter that would be a part of general discussions, as the events took place.

Q Do you ever recall discussing the [redacted] case with anyone from the Department of Defense?

A No, I don't.

Q Do you recall discussing the case with Norman Carlson of the Bureau of Prisons?

A I may have. It would have been his responsibility, but I don't think so. Discussions with Mr. Carlson would come about if there were decisions to take some action that would be other than simply the normal

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handling of the Bureau of Prisons.

Q And it is your recollection that the decision was not to take that step?

A I believe so.

MR. MC GOUGH: Bob, do you have any questions about the [redacted] matter?

MR. GENZMAN: No.

BY MR. MC GOUGH:

Q Let us turn, if we could, to an investigation conducted in the Southern District of Florida, which has been known by a number of names. But the original, one of the original persons involved was, a fellow by the name of Garcia who became an informant for the Government and offered information about an alleged assassination plot, and possible Neutrality Act violations.

Are you familiar with the case?

A Yes.

Q Do you recall what your first contact with that case was?

A No. In terms of when it was first reported, the source, I believe it would have been from the criminal division.

MR. MC GOUGH: Let the record reflect that, prior to convening the deposition, we provided Judge Jensen with a classified document that has been previously

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introduced as an exhibit to the deposition of Mr. Trott and asked him to review that document with an eye toward determining whether that might refresh his recollection as to his contact with the case.

BY MR. MC GOUGH:

Q Having reviewed that document, do you recall, does that refresh your recollection at all?

A Yes; I believe that that is a document that was generated in the course of that particular case.

Q Do you remember that document? It is, I think, addressed to your from Buck Revell at the FBI; is that correct?

A I think so.

Q Do you know what the inception of the document was?

A I think it was after there had been some knowledge about the case. As you say, there are many facets to the case; and there was a question, I believe, that asked the Criminal Division to give us, in effect, a more comprehensive statement of what was actually being undergone. I think it came out of that request.

Q Do you recall who made that request?

A I believe that I made a request to have a statement as to what was taking place, and that there were a variety of activities. I think it asked the Criminal

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Division -- I spoke with Mr. Trott about that.

Q Do you recall contacting Mr. Revell?

A No; I don't think so. I don't know that I contacted him directly. I think I spoke with the Criminal Division people.

Q So, to the best of your recollection, you did not contact the FBI directly?

A No.

Q Do you recall advising Mr. Trott that you wanted to be kept appraised of--

A Yes, I believe so.

Q But you don't recollect whether Mr. Trott, or someone in the Criminal Division, was the one who first advised you of the case?

A No; I don't know who it was.

Q What is your first recollection of the nature of the case?

A The general description of the investigation.

Q What stood out to your as being important at that time?

A The relationships back to the Ambassador Tambs investigation of arms activities. And I think that was the general subject matter in terms of what kind of activity was involved, or what were the potential ramifications of that.

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Q Do you recall when, if ever, you first learned of any allegation that the NSC or Colonel North might be connected with that investigation in Miami?

A No. I think that now that I think back on it, maybe there was some relationship to the air transport, when that became public. But it would be after it became public.

Q Was this the first, to your knowledge, was this the first neutrality investigation being conducted into alleged gun running to the Contras?

A I am not sure, I believe so. But to the best of my recollection, that would be.,

Q Were you aware -- now, let's go back to the -- well, let us fix a date a little better.

MR. MC GOUGH: Let us have this marked as Deposition Exhibit 3.

(The document referred to was marked Deposition Exhibit No. 3 for identification.)

BY MR. MC GOUGH:

Q So we are not flying blind here, Judge Jensen, let me show you what has been marked as Deposition Exhibit 3. Do you recognize that?

(The document was proffered to the witness.)

A Yes. There was a discussion before about a

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time when I spoke to Admiral Poindexter, and I had indicated that I would see whether or not that was a part of log, a meeting log. And this appears to be the log for that, March 24.

Q The memorandum we have been discussing is March 20, 1986, and the meeting you had with Admiral Poindexter was on March 24. So that would be the time frame in which you were dealing with this case.

A That is correct.

Q In or about March 1986, were you aware of allegation that Colonel North was involved in support for the Contras, the Nicaraguan Resistance?

A No, I don't.

Q Specifically, do you recall seeing any news reports of such alleged involvement?

A I don't know that I did. I saw reports, as I say, at some point along the line; but I don't know that it was reference to this.

Q I am not talking just in reference to this. Just in general, what I am trying to explore is whether you were aware in March 1986 that there were allegations that Colonel North was involved in such a network?

A I don't have a recollection of when that would have been. I don't believe so.

Q Now the document that we have shown you, the classified document we have shown you, to your knowledge, is that the only written document, only document you have seen relating to this case?

A I believe that is.

Q Do you ever recall seeing an memorandum approximately 20 pages in length drafted by Mr. Jeffrey Feldman in the Southern District of Florida?

A Yes. I did not see that document. I think he showed me that before when we met. I indicated that I had not seen the document.

Q How about an FBI prosecution memorandum?

A No; I did not see any such document.

Q What, if any, discussion did you have with the Attorney General about this case?

A Well, there were discussions about it. Once again, this would be a part of simply the regular business of discussing events of interest to the Department, and we talked about it. One of the reasons that the summary was prepared was to get a more comprehensive description of what was actually taking place.

Q There came a point in time when it was decided to brief Admiral Poindexter at the NSC, is that right?

A That's right.

Q Do you recall the meeting or conversation in

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which that decision was made?

A It would have been sometime after the document had been prepared, I think, where it would have been discussed with the Attorney General.

Q So it would have been between March 20, 1986 and March 24?

A 1986.

Q Do you recall-

A We may have discussed it before, but I think it was in general context with the subject matter, obviously, of the document.

Q Did the Attorney General ever indicate to you that he had received an inquiry from the NSC about the case?

A He may have. I don't have specific recollection of that.

Q Would you have considered such an inquiry unusual?

A No; I don't know that I would have.

Q Did you ever receive an inquiry from anyone at the NSC?

A I don't believe I did. I believe that my interest was from the Department's perspective.

Q Do you recollect the specific discussion with the Attorney General in which the decision was made to

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brief Admiral Poindexter?

A No, I don't. But, it would have been a part of our general discussions about Departmental activities that took place all of the time. We did this everyday. And, so, sure, it was part of that. It was not a part of any regular -- I believe it was just the two of us discussing it.

Q Do you recall whose idea it was, or whose suggestion it was, to brief Admiral Poindexter?

A I don't know.

Q Up until that point, had you had any contact with Admiral Poindexter?

A No.

Q Had you ever met Admiral Poindexter?

A Yes.

Q Had you ever briefed Admiral Poindexter on any case other than this case?

A In the same vein, perhaps not; but maybe we discussed it about other cases. I don't recall the sequence, but there were times when, either at the operational activities, maybe Admiral Poindexter had been there and there had been discussions. But I don't have any other, no formal kind of process like this.

Q This was the only time that you actually made a trip down to see Admiral Poindexter and brief him on a case?

A That's right.

Q There were, however, other cases with assassination plots involved, were there not?

A That's right.

Q And there were other Neutrality Act violations--

A I believe so.

Q --being handled by the Department; is that correct?

A There were, certainly.

Q Can you tell me what it was that made this case worthy of a special trip to the NSC to brief Admiral Poindexter?

A I don't know that I can. Just that it was of high drama; and of, I think, of great interest in that I thought that it was, that it had a complex of factors involved in terms of threats to ambassadors and activities and the disclosures that may take place in Miami, and the developments of activities. So, I think just the mix of all of this was such that we felt that it was of sufficient moment that, perhaps in this instance, we should do that.

Q What was it about Admiral Poindexter's position that it made it desirable to brief him?

A That he would be a part of any of the follow

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up of certainly any activities that might involve the ambassador. That certainly would be part of our interest. And, in a general sense, obviously, I knew that references to the whole Nicaraguan situation would be of interest.

Q When you say he would be part of the follow up in any incident--

A Anything that would happen. If there were an incident where there was a threat in a specific kind of operational activity that may have to be taken by the Government, with reference to protection of an ambassador, or an arrest of someone who might be involved in a plot, it would be of interest certainly to Admiral Poindexter.

Q Do you recall whether the decision was made to brief anyone other than Admiral Poindexter on the case?

A No; no decision either to do or not do. It simply was: let us do what we did.

Q Was the State Department briefed on this?

A I think they were already in the -- it was clear that they had already been briefed with reference to any activity by the Ambassador. I think there was a regularized flow. I am sure that I was aware of all of the persons who received this, but I don't know that NSC did get this kind of information as a regularized flow.

Q Why, if it was a regularized flow in departments like State and CIA, why did you go to brief

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Admiral Poindexter?

A Simply to -- I suppose that it may have been that the events were contemporaneous, and that there may have been something that developed that in terms of the Garcia matter that would now become a part of public discussions; then, there would be a question about what was being done to handle this matter. I think we briefed him with reference to that as to what the Department was actually doing.

Q What was likely to become a public discussion?

A I think there was some question about whether or not there was a sentence coming up that would involve statements by Garcia in the part of that sentencing process. I believe that is what was happening.

Q Do you recall, with regard to and sentence, the decision being made to postpone that sentencing?

A No; that is not a part of the process in terms of handling the case itself.

Q Prior to briefing Admiral Poindexter, did you have any conversation yourself with Mr. Kellner, the Unitec States Attorney for the Southern District?

A I think around the time, I think probably I had talked with Kellner about the specific matter.

Q Had you ever discussed any other cases with

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Mr. Kellner?

A Many, many occasions; there were many times when we talked with Mr. Kellner. There is a great deal of activity out of his office.

Q You had advised Mr. Trott, you in turn involved Mr. Richards to keep an eye on the case and to keep you advised; is that correct?

A I think that we had, that there were -- this was the kind of case where there was an activity in the U. S. Attorney's Office, and I believe we wanted to be kept up to date on it. There was no -- in some instances that takes place systematically; in some instances it doesn't.

Q I guess my question would be: Having notified Mr. Trott and Mr. Richards to keep an eye on it, why didn't you feel it important for you personally to discuss the case with Mr. Trott?

A There was a sequence like that. I think I may have talked with Kellner about this before that, it may very well be. I had many conversations with Kellner, and it may have been multiple subject matters. It may have been in that context. I don't know that there was a sequence, as you described it.

Q Did you ever tell Mr. Kellner to slow down or to slow down his investigation?

A No; I did not.

Q To your knowledge, did anyone in the Department of Justice tell Mr. Kellner to slow down?

A I have no such knowledge. I mean, that is the sort of thing, that there had been some activity, we would take some action with reference to that. It would be a proper--

Q You are not aware of anyone instructing anyone else to tell Mr. Kellner to do that?

A No; I am not.

Q Do you recall any discussions with Mr. Kellner about the efficacy of going forward with a grand jury?

A I don't know that I talked with him about the specific handling. That would be a matter that would be before the initial decision of the U. S. Attorney. And, in this instance, it should be some discussion with Criminal Division as to what was going on. But I was not a part of the operation on decisions like that. My interest was more being informed of activities and making sure that there was a contemporaneous flow of information.

Q Were you aware of any decision to go ahead and present the matter or employ the grand jury in an investigation?

A I am sure I did. I think that that was going to take place. I think that was part of what was contemplated in terms of the follow up to this information.

Q When you say that was going to take place, was that going to take place at or around March 24?

A I believe so.

Q Did you discuss with Mr. Kellner anything to do with the assistant who was assigned to the case, his level of experience or anything like that?

A No, I did not.

Q Did you ever discuss that with anyone in the Department?

A No.

Q Let us turn, if we could, to the actual briefing with Admiral Poindexter. That took place at the NSC; is that correct?

A Well, at his office.

Q At his office, and that was, as best you can recall, March 24, 1986?

A Yes.

Q Can you tell me what occurred at that briefing?

A Went in to his office and showed him the paper that you previously made reference to.

Q Do you recall whether -- let me back up. I assume he read the paper?

A Yes.

Q Do you recall whether you left him with a copy, or whether you took the copy back?

A I believe I left him a copy. I don't know for sure.

Q Do you recall any discussion with Admiral Poindexter about the case?

A No. Simply that I felt that it should be brought to his attention, and did so.

Q Why did you deliver the briefing paper personally, if you can recall?

A I don't know that there was any specific reason for that, just happened.

Q Do you recall Admiral Poindexter asking you anything about the case?

A No, he did not.

Q Do you recall making any statements to Admiral Poindexter about the case?

A No. Simply that I was bringing this information to his attention.

Q Did you sit there while he read the document?

A Yes.

Q Approximately how long did the meeting take?

A A brief period of time, no more than it took to do that.

Q Do you recall any mention of Colonel North in

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this meeting?

A No.

Q Do you recall any mention of the Nicaraguan Democratic Resistance, the Contras?

A No.

Q To your knowledge, other than yourself and Admiral Poindexter and the Attorney General, was anyone else aware of your briefing of Admiral Poindexter?

A I don't believe so.

Q Did you tell Mr. Trott?

A No; I don't think so.

Q Did you ever discuss the case with Admiral Poindexter after that time?

A Never did.

Q To your knowledge, did anyone at the Department of Justice discuss the case with Admiral Poindexter after that time?

A In a general sense, I don't know. No; I don't have such knowledge. But there may certainly have been some further follow up in terms of all of the mix of activities taking place since then. I did not; I don't know, and I don't know specifically of anybody speaking to him.

Q Do you know if the Attorney General ever spoke about the case with him?

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A No, I don't.

Q There was a time, was there not, when you and the Attorney General made a stop in Miami on your way to a conference?

A Yes, I recall that.

Q And I believe the date is sometime in early April. If you don't hold me to this, I would say April 10.

A Well, you can look it up for sure in that it was on the way to a meeting with the Mexican Attorney General in Cancun to follow up on issues of drug cases. It was immediately after that there had been an ambush and a shooting of FBI Agents in Miami. And the purpose of going to Miami was to visit with the FBI Agents, and the opportunity came, in that we were going to this meeting in Mexico anyway.

Q Do you recall when you arrived at the airport with the Attorney General there were some vehicles there to meet you, were there not?

A That is correct.

Q Did Mr. Kellner meet you at the airport?

A Yes, he did.

Q Do you recall during the course of your visit in Miami who rode with whom, in what cars?

A My best recollection is that Mr. Kellner rode with the Attorney General, and I rode in another car.

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But, we went to two different hospitals then returned to the airport. So there were several times when you were in and out of cars. So, I don't know specifically, but I believe there was a time when, say, Mr. Kellner rode with the Attorney General. But I don't believe that I did.

Q Between the time that you briefed Admiral Poindexter on March 24, and the visit to Miami sometime in early April -- and I believe it was April 10 -- do you recall discussing the case, this case, with the Attorney General?

A In terms of specifics, I don't. But it may very well have taken place in terms of follow up.

Q Do you recall talking to the Attorney General about it in the context of your visit to Miami?

A No, I don't.

Q Did it come up on the plane down that this case was pending down there, or the Attorney General ask you questions about it when he learned that he was going to to Miami?

A I don't believe so. There were obviously situations where, when you were going to go to an area and meet with the U. S. Attorney, or with the Agent in charge of the FBI, or that sort of thing, well, the Attorney General would get briefings as to what was going on so that he could discuss those. And, in most instances, I would be

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aware of that; and I would not be aware of it always, as far as what had taken place, or what his staff had prepared. There may have been some preparation with reference to that. I don't have any recollection of that, but I would not have any reason to disbelieve that there had been some further discussions about the case before we went there. But I don't think there was any specific agenda prepared as to what was going to be discussed with the agents, or with Mr. Kellner.

Q Do you recall any specific cases being discussed in your presence during your trip to Miami?

A No, I don't.

Q Let me direct your attention specifically to conversations that might have taken place in either of the two hospitals where you were visiting the FBI Agents.

A There may have been some references. It would have been very informal. The visits were to the officers and their families, and there was a discussion with the Attorney General and myself, and others, who met with the officers who were in the hospital in bed, and their families were there and we talked with their families. The Attorney General met specifically with them. It was a very brief trip and, so, if there was any business discussions about issues of interest of Mr. Kellner and the Department, if would have been very brief.

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Q Do you recall any discussion during that visit to Miami of this particular case?

A No, I don't. I recall discussions about what had taken place with the agents, and that was our basic area of interest.

Q You recall not discussions relating to this case?

A Right.

Q This would be discussions with the agents on other cases?

A No. On the agents, where there had been shooting of the agents, I mean, ,we had a great deal of discussions about that: what had taken place.

Q I thought you meant discussions of the agents with this case, you meant?

A No: I meant with the agents who had unfortunately been shot.

Q To your knowledge, had Mr. Kellner ever met the Attorney General prior to that visit?

A I think so. There was maybe one occasion. I know there was at least an informal session when all U. S. Attorneys came and met with the Attorney General when he first came into office. I am quite sure that Mr. Kellner was there. But I would think that there had been -- I don't think it was a situation where Mr. Kellner came and

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met with the Attorney General in terms of specific activities in that office. I remember other situations where we met with Mr. Kellner and members of his office, but I am not sure. I think it was with reference to other activities.

Q And those meetings would have been in Washington?

A There was at least one meeting while we were at Mr. Kellner's office, but it had to do with another activity where it happened that the Attorney General was in Miami and took advantage of the fact that he characteristically did that whenever he went to an area for some reason: he would also go and see the U. S. Attorney and the people who were in the office.

Q Do you ever recall Mr. Kellner coming to Washington to discuss, or with one of the results or purposes be to discuss this case?

A No, I don't. Not with me. He may very well could have.

Q After the visit to Miami regarding the FBI shootings, to you recall any further contact or developments in the investigation, the Garcia investigation?

A No, I don't.

Q Do you recall Mr. Kellner ever being in --

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and I understand you departed, you left the Department of Justice in June 1986. Prior to that time, did you ever have any discussions with Mr. Kellner about adverse publicity that was being generated by the investigation in the Garcia case?

A No; I don't believe that I did.

Q Do you recall being involved, or were you involved in responses to press inquiries regarding the existence or nonexistence of an investigation in Miami?

A No, I was not.

Q Have you ever been contacted by, or have you ever spoken to, a reporter by the name of Murray Waas?

A No, I haven't.

MR. MC GOUGH: Bob, that is all the questions I have on the Miami case. Do, you have any questions?

MR. GENZMAN: No, I don't.

BY MR. MC GOUGH:

Q Let us turn, if I could, and I want to finish up, if I could, by inquiring about any contact you may have had with certain people between, let's say, November 1, 1986 to the present. And, if there is a lot of contact, we will try to narrow it down a little bit. My first question relates to contact with the Attorney General since November 1986. And, by November 1986, I really mean

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the beginning of the publicity relating to the Iran-Contra Affair.

A Yes, I understand your time frame.

Q Okay.

A I have seen the Attorney General; I have had discussions with him since then. We have not had any substantive discussions about the matters we have gone over here in terms of the activities that we may have been together on and that we have described here today.

Q Approximately how often have you talked to the Attorney General since then?

A Not on frequent occasions. I have only seen him a couple of times. I have talked to him on the phone a couple of times.

Q On any of those occasions, have you discussed either the meeting with Colonel North and the Attorney General?

A We have discussed the fact that I have had a discussion with him where I think I told him of those events.

Q "Those events" being what events?

A The meeting with Mr. North, meeting with Admiral Poindexter; and this was a part of the general discussion about the subject matter that he and I are interested in.

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Q Was that discussion, to which you are referring to now, did that take place between our indications, the Committee's indication, to you that we wanted to interview you, and the actual date of the interview, do you know?

A No; I think it was before that.

Q Do you recall, can you put any kind of date on it?

A I am trying to remember, but these were with relations to discussions about perhaps return to Washington, and what activities might take place, and what issues might be there. A whole, range of activities in terms of what had taken place in the Department. So this was a brief mention of any number of items, it was in that context. And I discussed with him about whether I might return to Washington.

Q The two items that you mentioned were your briefing of Admiral Poindexter and the visit of Colonel North?

A No; I am saying in terms of what you and I have talked about and we have talked about all kinds of things.

Q In terms of things relating to the Iranian or Central American situation?

A No; these would be the only ones that were

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related to that, I believe.

Q Why did you mention those two?

A Only that it may be a part of any follow up if I returned to Washington in some position.

Q What was it about those two incidents that caused you to raise them?

A It may be an issue that, if I were to return and it would be part of a confirmation process, that these will be issues that might be discussed, and simply recited what might be discussed if that were to take place. As I say, it was part of a whole list of things.

Q Did the Attorney General agree with your basic recollection of the events?

A It wasn't a matter of agreeing or not, it was just a recitation.

Q By you to him?

A That's right.

Q Have you had any contact with the Attorney General since our interview here, and that would be May 29?

A I think I talked to him on the phone, but not about this.

Q The subject matter of our investigation did not come up.

A No.

Q Have you had any contact at all with Colonel

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North since you left the Government?

A No, I have not.

Q Strike that. I don't know whether you are still with the Government or not.

A Another branch, perhaps it should be phrased in that fashion.

Q Have you had any contact with Admiral Poindexter?

A No.

Q Have you had any contact with Oliver Revell since you left the Department of Justice?

A I have talked with him, but not about this.

Q On how many occasions would you have talked to him?

A Maybe once.

Q When would that have been?

A A couple of months ago.

Q Did that relate to the subject of our investigation?

A No, it did not.

MR. MC GOUGH: If I may have a moment.

Bob, do you have any follow-up questions while I am going over my notes?

MR. GENZMAN: No.

MR. MC GOUGH: Those are the all question I

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have.

MR. GENZMAN: I have nothing further.

MR. MC GOUGH: We have completed. Thank you for your time Judge Jensen. We appreciate it.

(Whereupon, at 11:10 a.m., the deposition was concluded.)

D. LOWELL JENSEN

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STATE OF CALIFORNIA)
) ss
City and County of San Francisco)

I, JAMES. W. HIGGINS, a Notary Public in the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify the truth, the whole truth and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of the said witness was reported by me, and thereafter transcribed by me into typewriting; that the foregoing is a full, complete and true record of said testimony.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, or in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 8th day of July 1987.

James W. Higgins

JAMES W. HIGGINS
Notary Public, in and for the
City and County of
San Francisco,
State of California

JAMES W. HIGGINS
My Comm. Expires Sept. 28, 1990

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Stenographic Transcript of

HEARINGS

HSITS-77/87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF EDWARD S. JUCHNIEWICZ

Thursday, April 23, 1987

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Partially Declassified/Released on 12-21-87
under provisions of E.O. 12356
by N. Menan, National Security Council

Washington, D.C.

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TESTIMONY OF EDWARD S. JUCHNIEWICZ
Thursday, April 23, 1987
United States Senate
Select Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
Washington, D. C.

Deposition of EDWARD S. JUCHNIEWICZ, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 2:45 p.m., the witness having been duly sworn by RAYMOND HEER, III, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by RAYMOND HEER, III, and transcribed under his direction.

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

TIMOTHY WOODCOCK, ESQ.

THOMAS POLGAR, ESQ.

On behalf of the Central Intelligence Agency:

R. BRADFORD STILES, ESQ.

RHONDA M. HUGHES, ESQ.

PHYLLIS PRORST MC NEIL, ESQ.

P R O C E E D I N G S

Whereupon,

EDWARD S. JUCHNIEWICZ,

called a witness by counsel for the Senate Select Committee, and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q Before we begin, let me put on record who I am and my capacity. I am Tim Woodcock. I am an Associate Counsel with the Senate Select Committee on the Secret Military Assistance to Iran and Nicaraguan Opposition. In that capacity, I am representing the Committee at this deposition.

The Committee has been constituted to pursue, as I think you know, a wide range of matters under its enabling resolution that includes transfer of arms to Iran and also diversion, perhaps, of monies to the Nicaraguan opposition and also whatever material assistance may have been rendered to the Nicaraguan opposition. This deposition is part of that inquiry on the part of the Committee and therefore is an official proceeding of the Senate Select Committee. It is entirely possible that this deposition may be used by the Committee in its later scheduling of hearings on this and other topics.

That having been said, let me begin by asking you if you would to sketch your background, your professional background, particularly as that it began with the Agency and perhaps greater detail as the years go by.

A I should have brought my resume along.

[redacted]

[redacted] And then from 1983 to '86 I was the Associate Deputy Director of Operations.

Q Would you take a moment and describe your last position Associate Deputy Director of Operations, what your duties encompassed?

A Basically to assist the Deputy Director of Operations in the management of all our clandestine activities world-wide.

Q Now, during your tenure was John McMahon the Deputy Director the entire time?

A No, John McMahon, while I was on the -- McMahon appointed me to his [redacted] He was still the Deputy Director for Operations at that time. McMahon left to become the Deputy Director and [redacted] took over the Directorate of Operations.

Q Do you recall when that was?

A No, I don't. Can you get it out of the files somewhere?

MR. POLGAR: Off the record.

BY MR. WOODCOCK: (Resuming)

Q You have testified that you became ADDO in 1983. At that time who was your superior?

A [redacted]

Q If you remember, approximately when did [redacted] leave his position?

A I think it was sometime in '85. Early '85.

Q And then who succeeded him?

A Clair George.

Q Now you have testified that your duties as ADDO were to assist the DDO in clandestine operations and, I gather, generally in what the DDO did for the Agency.

A Correct.

Q Could you go into somewhat greater detail as to the jurisdiction of the DDO and what he might do in the course of a day?

A Well, actually the DDO would have the group of individuals, [redacted] special assistants, specifically, reviewing the cable traffic from all over the world, from all our stations all over the world. Anything of particular importance would be flagged for the DDO to peruse or to consider. This also would be flagged for me to look at.

We had regularly scheduled meetings with our other managers within the Directorate of Operations. So on a particular day we might have had several division chiefs and a staff chief to come for a half an hour or one-hour meeting to discuss the situation in their area of responsibility. We also could have had discussions scheduled on personnel issues, personnel matters. Some of the operational things that were brought to our attention by our leaders required more extensive review, required more extensive deliberations, the sending of correspondence to one or several field stations because of a crisis situation that may have arisen in one of of the areas.

[redacted]

Q Did you have any screening responsibilities yourself for cables submitted to the DDO?

A No, the screening was done by the special assistants, both incoming and outgoing.

Q Now, these special assistants worked for the DDO himself, is that right?

A They were assigned to the office, but in effect they [redacted] screened for the DDO. [redacted] did a certain amount of the screening for me because I had a special interest in resource matters. Having come out of the staff which managed the Directorate's resources for three years, I was very familiar with the whole budget process and the management of resources in the Directorate, so I was asked to continue to watch over that that particular aspect.

Q Now did you have any staff of your own?

A I did not.

Q Was there any particular deputy you relied on, any particular special assistant?

A No.

Q Let me proceed from there to a discussion of the November flight of HAWKs that has become so celebrated. Could you, if you would, recount your recollection of your first involvement in this?

A Let's see. The first involvement was on a Friday afternoon. It was mid-afternoon when I was approached by Mr. Duane Clarridge, who was the chief of our European division at the time. Clair George was out of town, so Mr. Clarridge came up to talk with him and said that he had been approached, and I think that he had specified whether he physically met with Colonel North or whether he was phoned by Colonel North.

Colonel North explained to him that he had a dilemma, that he was in need of transport to ship some material to Israel, and he was having a difficult time locating a reliable freight carrier. He asked if Clarridge could be of some assistance. Clarridge did whatever checking he had to do and in the process told me that he had consulted with our [redacted] people. The [redacted] apparently was able to come up with several companies that they were aware of, but since Colonel North indicated that there was a rather short time frame, that he had to have the transport relatively short order, they discounted the possibility of arranging anything through any of these other mechanisms and suggested to Mr. Clarridge that he consider using the agency's proprietary aircraft.

Clarridge did not give any kind of immediate reaction to Colonel North from what he mentioned to me. And his point with me was, what do you think? And I said not knowing anything about what Colonel North had in mind or what anybody else had in mind, I said that the proprietary was a bona fide commercial venture and since I knew that General Secord was out there doing all kinds of things -- I didn't know specifically what he was doing -- since it was a bona fide commercial venture, I said anybody could go out and approach the manager of the proprietary and charter that aircraft.

And he said, well, do you have any particular objections? And I said well, why should I have any objections if Colonel North or General Secord went to wherever the proprietary is located and dealt with the proprietary manager? I said you are not asking me to commit any funds, any Agency funds. You are not asking me to commit Agency resources. You are not asking me to commit the Agency in any way to any thing. It's a purely a commercial undertaking. So he left at that and I did not hear from him that day.

That evening I got a telephone call at the house.

Q Before we leave that point let me see if I can't ask you a couple of questions about this initial conversation with Mr. Clarridge. Did he let you know who in [redacted] he had spoken with?

A No.

Q And in your response to him at this time, at this early juncture, did you refer to General Secord?

A I did not.

Q And did he bring to your attention General

Secord at that point?

A He did not bring attention to General Secord at that time, but I recalled having been briefed by someone that General Secord was travelling around in some alias, and I did not recall the alias, but he was functioning as Colonel North's point man, so to speak.

Q Let me address that for just a moment. Do you recall when that briefing might have occurred with respect to this conversation?

A Shortly before this conversation, but I don't know exactly when.

Q And do you recall whether the briefer was an agency person?

A Oh, yes, yes. My suspicion is that it might have even been one of our staff assistants who was out purusing through the cable traffic, the staff assistants who reviewed all the cable traffic every morning.

Q So I gather this was brought to your attention, not with respect to any impending operation, but just a matter of general information?

A Right.

Q And do you recall what it was? You testified that General Secord was out there travelling, doing all sorts of things. Do you recall specifically what he was doing?

A No. Apparently -- my recollection is that he tried to contact several of our station chiefs to facilitate some contacts between himself and members of liaison services or local governments. I forget the countries where this happened. And we had received cables from these stations telling us that, asking us for instructions as to how to react. And it's my impression that this was, this was brought to Colonel North's attention in some manner. And I think he finally admitted to someone -- and I don't who it was he admitted to -- that General Secord was -- whatever alias they gave was indeed General Secord and he was working for the White House, period.

Q And all this preceeds your conversation with Clarridge on the 27nd?

A That is my recollection. Yeah, because I -- but, you know, you have to bear in mind that I've so much since then and it hasn't been official correspondence. I've been reading everything in the press about this entire incident. So now I'm having a bit of a difficult time putting it chronologically. I don't know what I was briefed on before while I was still in the Agency, what I read when I retired or after retirement, and what I read in order to bone up on my testimony before the SSCI.

But I have not been in the building since.

I've been in the building, but on other matters, and I've read no correspondence whatsoever relating to this this whole episode, the Iran episode.

Q You're not the only witness with that difficulty.

A Because my intent is certainly is not to mislead. I mean, I want to be very forthcoming and factual insofar as I can be, but, you know, bearing in mind that I haven't been exposed to this stuff for quite a while.

Q Let me go back to this moment just try and parse this out a little bit further. Your recollection, your best recollection is that you received basically an information briefing from someone who had been reading cable traffic that Secord was travelling around.

A Yes.

Q Now, did that briefing or that information include the information you just described about Secord trying to contact station chiefs?

A Yes. Because, in other words, if it was in a cable it obviously had to do with some station chief writing back to us and asking us who this guy was.

Q Now, do you recall whether that briefing that you received contained any reference to what it was that Secord was doing trying to get in touch with these station chiefs?

A No.

Q And you said that in all probability the reason these cables would have been coming in the station chiefs would have been seeking some instruction from headquarters.

A Exactly.

Q Do you recall whether any instructions went out of headquarters?

A My recollection was that there was something that went out to these stations.

Q And what time frame would that have been?

A I have no idea.

Q But presumably that would have been before your conversation with Mr. Clarridge?

A I would say.

Q Let me try and test your memory just a little further. Do you have any idea what the content of those instructions would have been?

A I would have no idea.

Q Let me ask you a different kind of a question. On the subject of Major General Secord, did you have any prior knowledge of Major General Secord?

A Never heard of the guy, never met him in my life, which is -- there is something in the Tower

Commission Report suggestive that I met him at the Agency building on one occasion which is absolutely absurd. I've never met the guy.

Q Did he have any reputation that you knew of?

A No.

Q I gather then that you were unaware of any connection with Edmund Wilson?

A Totally. Of course, a lot of people volunteered opinions of General Secord afterward. But I had not known that before.

Q When you say afterward. How long are we talking about?

A Many months afterward.

Q There was some post facto assessments?

A Yes, post facto assessments of General Secord.

Q Let me ask you one more question on that topic so that I can clarify this section of your testimony. When you were speaking with Mr. Clarridge on the 22nd, was it your reaction that based on these earlier cables that this was something that Secord might have been involved in, or did this reaction reach you later in the process?

A It reached me later in the process. I didn't know whether it was connected or not.

Q Okay.

A But obviously I knew it was being run out of the White House. In other words, Colonel North was inquiring, he was apparently desperate. He needed transport, which was the way it was presented to me.

Q So I gather based on the previous information that you had suggestion of North, suggested the possible involvement of Secord?

A Right.

Q All right. Now from that point you had this conversation with Mr. Clarridge and you gave him your opinion on the availability of the proprietary for any commercial venture.

A Right. Now bear in mind what he was asking. It was perfectly clear in my mind. It was a very short conversation with Mr. Clarridge and he was -- there was no attempt to ask for assistance beyond [illegible] the naming or suggesting of a commercial carrier that could be leased by the White House. There was no suggestion that we needed to commit people, money or anything else. And Mr. Clarridge gave me the distinct impression that he was reacting as a friend of Mr. North's in this particular case, that he wasn't being tasked offically to come up with this, but that he was attempting to help Colonel North out of a tough spot.

Q And based on that limited understanding you gave your advice?

A Right.

Q Now, having given your advice -- I gather this all took place at the agency?

A It was right in my office.

Q This, I gather, did not come back to your attention later that day?

A No. Well, except later that working day.

Q Okay.

A In other words, then we go into the telephone call from Lieutenant Colonel North at my house.

Q Okay. Why don't we proceed to that? You received a telephone call from Colonel North. Approximately when was that?

A Well, it was about 8:00 that evening as I was sitting around at home, and Colonel North indicated to me that [illegible] he tried to get in touch with Mr. George and I mentioned to him that Mr. George was out of town on leave or something, I don't remember exactly. And Colonel North then proceeded to give me the same basic story that Mr. Clarridge had given me, namely that he was desperate, he needed transport and he had inquired of Mr. Clarridge and Mr. Clarridge had apparently gotten back to him.

And I mentioned to Colonel North, because this was an open black line -- you know, Colonel North was a very secure person and so we did not engage in any lengthy banter about anything. I mean it was a very cryptic conversation. And I essentially told him, I said look I've already explained it to Dewey Clarridge and if you people are that hard up and you need to charter an aircraft, I mean this is a commercial enterprise, you can go out and put your money on the table and charter the airplane. He asked me for no specific assistance. Nothing further came from him. He just said thank you and hung up.

Q Okay. Let me just touch on a of couple points in this conversation.

A He was not used to dealing with me, first. In other words, I had only had about two conversations with Colonel North before this time.

Q Okay, that was one of the questions.

A And he was obviously very ill at ease because he had to talk to me rather than to Mr. George, with whom he was accustomed to dealing, and I think he knew that he would certainly feel more comfortable had he been able to deal with Clair George.

Q But you were in a position, I gather, that you could recognize his voice, is that correct?

A Oh, yes. He identified himself.

Q And you were able to satisfy yourself that it was North and not somebody else impersonating North based on at least prior conversations with him and your recognition of his voice, and also on his knowledge of your conversation with Mr. Clarridge.

A Yes.

Q So you had no doubt that it was North you were talking to?

A Right.

Q So at this point North rings off. Is that the end of the your involvement with the activity for that day?

A That was the end of that day.

Q All right. Now, when do you next come back into the November '83, excuse me, November '85 flight?

A The next day I brought this to the attention of John McMahon, who was the Deputy Director.

Q Okay. Now do you recall that next day, I believe, was a Saturday? Is that your recollection?

A Yes.

Q Okay. Now could you describe to me how it is that you bring this to the attention of Deputy Director McMahon?

A Right. As a rule John McMahon would always pop around when he was on duty on Saturdays, and come around to see if anything was happening in the

Directorate of Operations. And we had our usual conversation about interesting things and I mentioned to John McMahon that I had the phone call from Colonel North the evening before and I said, John, guess what? The NSC wants to charter our airplane.

Q Now, did you have or did he have a reaction to that?

A Yes. He stopped, paused, became very contemplative and left, left my office.

Q He had no rejoinder for that?

A No, I think it probably it seemed to anyway, and here I am talking a little bit for John McMahon, which is probably unfair. It seemed to me that he was a bit surprised by the the announcement. And, as is usual with John, he just went back to contemplate it for a while.

Q Now, following that encounter with Mr. McMahon did this item again come up?

A Yes. He came back to me afterwards and indicated that under the circumstances, and in view of the fact that the NSC had come to us and in all probability would come back to us at some point -- this was the first -- my understanding was from John that this was the first time that they had actually asked for any type of assistance. And McMahon being the very shrewd guy he is figured that if this is the first effort in all probability there may be other situations where we will be called upon to assist them in this particular venture and under the circumstances he came back and he told me, he says, I think that we need a Presidential Finding before we can do anything further.

And he said I would appreciate it if you would send a couple of officers to brief Stanley Sporkin, our general counsel, on what we know of this entire situation and get Stanley Sporkin's reaction.

Q And I gather you did that, is that correct?

A Yes.

Q Who did you pick to brief Mr. Sporkin?

A Well my recollection is [redacted] He was the deputy chief of our Near East division at the time.

Q And was it just [redacted] or someone else?

A I don't recall. I think that probably it was someone else but I am not sure. [redacted] may have taken someone else with him.

Q Now was [redacted] in the building? Was this something you were able to do right away?

A Oh, yes. Well, he was not in the building on Saturday. No, I got to him on Monday.

Q So this was your understanding was that this was something that could wait at least until Monday?

A Oh, yes. Also, I mean, you know, I don't know. I was informed subsequently that the aircraft, the agency proprietary airplane which had been chartered, had not actually flown to Tel Aviv or from Israel to Iran until the 25th. So if anyone was particularly exercised over this whole thing there was certainly time on Saturday to send a message out to stop the flight.

Q Okay. In a sense that anticipates my next question. Following this conversation with Mr. McMahon when he returned to your office and had given you his opinion on the Finding necessity, did the flight come back to your attention on the 23rd?

A No.

Q Okay. When did it next come to your attention?

A Actually it did not come to my attention for, until I went back in to collect my thoughts and the facts before the SSCI testimony.

Q And that would have been 1986.

A Yeah. Because I had no reason to make any inquiries really as about the flight -- whether it had actually taken place, what was on board, so on and so forth. I was not one of those privleged few who were privy to this activity. Now, I noted in the Tower Report from one of Mr. North's memos that there were very very few people who were briefed on the activity. It was a very highly compartmented activity and I was not one of those who was within that compartment.

Q Why don't we turn then to Monday morning? I think that would be November 25?

A Yes.

Q In pursuit of Mr. McMahon's instructions I gather you tasked [redacted] to go brief Mr. Sporkin.

A Yes.

Q Now, do you bring [redacted] into your office? How does this work?

A God, I wish I could recall exactly, but I would suspect that I did. I don't recall exactly, but I think I asked [redacted] to come down and told him what had transpired over the Saturday with the Deputy Director and asked him to get whatever material he could and go over and talk to Stan Sporkin.

Q Now let me just backtrack to Saturday for a minute. We now know that there was some cable traffic coming back to Mr. Clarridge both on the 22nd and the 23rd and I think even after that on the problems that this flight is encountering in its efforts to get clearance in other countries, so on and so forth.

Was any of that coming to your attention?

A No. I read about that only afterwards.

Q Now, explain to me how that would work. These cables are coming out [redacted] they're coming into headquarters. Would this be something that your screeners would be reading?

A I can't say because I don't know what channel they used for that particular cable traffic. It's entirely conceivable that Clarridge used his own privacy channel, in which case we would not get copies.

Q Okay. Why don't you explain that to me? How would the privacy work?

A Every division chief has a privacy channel with his -- am I allowed to talk about that?

MR. STILES: I don't think it is a problem.

BY MR. WOODCOCK: (Resuming)

Q Go ahead.

A Every division has the ability to communicate on a private channel between himself with his station chiefs overseas. By using [redacted] on a cable as soon as that cable comes into the cable center they that [redacted] alerts the disseminators, the distributors, to the fact that that is a division chief only privacy channel and its dissemination is according to a prescribed schedule that the division chief outlines beforehand.

Q Now. Is that [redacted] also known as a [redacted]

A Yeah.

Q So, is it the division chief who controls the flow of that that is coming in?

A Privacy traffic? He doesn't control it himself. The cable secretary controls it because it all comes into the cable secretary.

Q So who would be on the distribution list? Let's assume the most limited distribution list of a division chief on his privacy channel.

A God. That I don't know.

Q Would there be a way, for example, to exclude the Deputy Director or the Director?

A Unlikely, unlikely, because we saw an awful lot -- well, you know there were situations where we did not see the privacy traffic. I mean, I know of many, many instances when cable traffic, there was correspondence with station chiefs which the directorate -- the DDO's office knew nothing about. And we were first alerted to it by some cable that might have come in in open traffic and then we would have to call back down and ask them to give us a dump on all this stuff. Maybe in Tom's time it might have been slightly different.

MR. POLGAR: Off the record.

(A discussion was held off the record.)

BY MR. WOODCOCK: (Resuming)

Q I gather that is true also of even in succeeding days. You didn't see a compilation of cable traffic that had come in on the 22nd, 23rd, 24th, 25th on this matter, is that right?

A No. Keep in mind that by that time Clair George was back and in charge and I was relegated back to my associate job again.

Q Okay. Let me now turn to the tasking of [redacted] [redacted] You brought [redacted] into your office, as best you recall, and what did you tell him about what had transpired?

A I told him the entire thing -- my conversations with Mr. Clarridge, my conversations with John McMahon, my conversation with Colonel North and the instructions that I had gotten from McMahon.

Q And what marching orders did you give him?

A Told him to go over a brief Sporkin on everything he knew.

Q Was he then to report back to you?

A No. I suspected that he would have reported back to Clair George.

Q And Mr. George was back when?

A I believe that Tuesday, so that would have been the 26th.

Q Do you recall attending a meeting on December

5, 1985 in Mr. McMahon's office?

A Yes.

Q With Mr. Gates and [redacted] [redacted] and [redacted]

A Yes. I remember being there because John was preparing to go down to an NSC meeting, I think.

Q Let me ask you first what you recall about it and after I do that I have a memorandum that you may want to review to see if it refreshes your recollection, but without looking at the memorandum, what do you recall of that meeting?

A Really not too terribly much except the sense was that I believe we discussed whatever knowledge we had of this whole Iranian matter. We discussed Ghorbanifar, I believe, for sure, because we again pointed out to McMahon that we had had negative traces on Ghorbanifar and we ventured some personal opinions about Mr. Ghorbanifar which we were hoping that Mr. McMahon could raise with the principals at the NSC meeting because he was sitting in for Bill Casey, as I recall, who was in [redacted] at the time.

Q Let me ask you, before you proceed, when you say we share our negative feelings about him, I gather that includes you and who else?

A I can't remember exactly, but other people in attendance there who were briefed on our file holdings on Mr. Ghorbanifar shared our views about him, namely that he was the type of an individual that the Agency would absolutely have nothing to do with.

Q And it was your understanding that Ghordbanifar was likely to be an item on the meeting that Mr. McMahon was preparing for?

A No. I didn't understand that specifically but since were obviously the meeting was called to discuss the entire matter and John was looking for facts for anything actually that he should raise at the meeting. And one of our strongest objections consistently had been to the use of Ghorbanifar as an intermediary.

Q Do you recall yourself having raised the Ghorbanifar question? Did you bring your own knowledge to Mr. McMahon's attention?

A I don't know if I raised it or somebody else raised it but I certainly added my voice to it.

Q Now, let me back you up on the subject of Ghorbanifar. You testified that a file review had been done of Ghorbanifar. Is that right?

A Yes.

Q Presumably that means a review of his 201 file? Is that right?

A Yes.

Q Do you recall how it was that file review came about?

A Yes. Someone -- and I can't remember whether it was Director Casey or McMahon -- brought up the name of Ghorbanifar with me on one occasion. I can't recall the context or anything. But I, following this meeting at which Ghorbanifar's name came up, I immediately went in and asked for a file trace on Ghorbanifar.

Q Do you recall who it was that ended up doing the tracing?

A Oh, yes. I remember that [redacted] came up with Ghorbanifar's file. It wasn't a very extensive file, but I mean it contained enough information in there to let us know that the individual wasn't really thought of very highly by the Agency.

Q It's a pretty extensive file now.

A And further my recollection is, and I wish I could be more specific as to timing, but my recollection is that this this occured before my conversation with Clarridge, so it's certainly before November 22nd and I recall having suggested to [redacted] -- or maybe it was even stronger than that -- told [redacted] he should brief Colonel North on the Ghorbanifar, on the information concerning Ghorbanifar that was in our file.

Q Okay. Let me ask you on the subject of

Ghorbanifar, at the time you suggest or requested this file review, did you have an understanding as to what Ghorbanifar was being contemplated for?

A Yes. I had, somehow. I don't know whether I was told or I was led to believe that Ghorbanifar was the individual who was being met by Colonel North and was the intermediary to so-called Iranian moderates.

Q Did you know at the time that this was brought to your attention whether Colonel North had met with him yet or was he about to meet with him?

A I'm not sure.

Q And I gather that this came to your attention through either the Director or Deputy Director?

A That is my recollection.

Q To your best recollection, when might this have come to your attention from either the Director or the Deputy Director?

A My suspicion was probably was sometime September, October '85.

Q Now when you sent [redacted] down to pick up this file --

A I didn't send him down. The files are in central repository, he obviously had someone run the name through the registry and someone brought him the file and so he came up with the file.

Q Now, did you review it together?

A No, he had reviewed it but he gave me sort of a precis of what the file contained. And having -- once he told me what it contained we immediately went into John McMahon and briefed John McMahon.

Q Now, you said that you believe that you directed [redacted] to brief Colonel North.

A I either told him to go down as soon as he could or on the next occasion when he was down at the NSC discussing whatever it is that he discussed with Colonel North, I told him to be sure to bring to his attention what we had in our files on Ghorbanifar.

Q Now, was that instruction given before or after the meeting with Mr. McMahon?

A I can't recall. I think it was probably after.

Q Now, when you went in to brief Mr. McMahon, [redacted] came with you, is that correct?

A Yes.

Q What do you recall about the substance of that meeting?

A Well, essentially [redacted] told John McMahon exactly what he had told me and a little discussion ensued after that at which we questioned the wisdom of the entire undertaking.

Q What did you understand the undertaking to be at that point?

A The undertaking to be that the NSC was seeking ways of establishing contacts with Iranians to try and arrange for the release of the American hostages.

Q And I gather at this point you did not have an understanding as to whether this also included the shipment of military hardware to Iran.

A I had no idea.

Q Mr. Juchniewicz, I'm going to show you three documents which bear for record identification purposes the following identifying numbers. The first in the series that I will give is the identifier applied to the document by the CIA and the second that I will give with be the identifying number applied to the document applied by the Senate Select Committee.

The first document that I am going to show to you is, appears to be a cable dated July 12, 1985. It bears the CIA identifier CIIN 1032 and the Senate Identifier C 1475. The second document which I will show you right on the heels of this is CIIN 1033, Senate Identifier C 1476, and the third document I am going to show you bears the identifier CIIN 1034, Senate Identifier C 1477.

MS. MCNEIL): What are the dates on those documents?

THE WITNESS: One is, the document itself is 11 July 1985.

MS. HUGHES: Which one is that?

THE WITNESS: It's the memorandum CIIN 1033. And then the other, the cable is 12 July '85, that is CIIN 1032, and 1034 is 9 July '85.

BY MR. WOODCOCK: (Resuming)

Q Have you had an opportunity to review these three documents?

A Yes, I have.

Q Did these documents show up, if you recall, in your review of the Ghorbanifar 201 file, which you believe is the fall of '85?

A Since I didn't review the file I can't say.

Q Do you recall information like that contained in these documents being brought to your attention in your assessment of the veracity and reliability of Mr. Ghorbanifar?

A Yes, I do.

Q Would that have been relayed to you by [redacted] following his review of the file?

A Yes.

(Pause.)

Your point being -- I am missing your point?

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Q Well --

A I'm not trying to vague or obtuse.

(A discussion was held off the record.)

BY MR. WOODCOCK: (Resuming)

Q Mr. Juchniewicz, you have had an opportunity to review the three exhibits that I have identified previously for the record; is that correct?

A Yes, I have.

Q Now, those exhibits describe inquiries on the subject of Manucher Ghorbanifar and his possible roles facilitating in the release of hostages back in July of 1985. Do you recall that information being brought to your attention when you asked for the review of the 201 file in the fall of '85?

A Yes, I believe so.

Q And do you recall who it was who would have brought that to your attention?

A Yes. I believe it probably was [redacted]

Q Now. Did [redacted] or anyone else in your review of Ghorbanifar's status in the fall of '85 demonstrate any first-hand familiarity with the subject of those exhibits?

A No. No, not that I can recall.

Q Now, following your meeting with [redacted] your testimony is that you and [redacted] went and

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briefed Mr. McMahon on what you had found in the Ghorbanifar 201.

A Right.

Q Do you recall what Mr. McMahon's reaction was to the information that you imparted to him?

A Yes. He was highly incensed.

Q And why would that be?

A Well, I don't why it would be, but I mean he was obviously disturbed by the fact that someone in the U.S. government would see fit to deal with an individual like Ghorbanifar in light of what the CIA had in its files on him.

Q Now, did you feel the need or did Mr. McMahon feel the need to take this information any higher than himself?

A I believe he did take it higher. I believe he suggested to me that he had briefed the Director.

Q Okay. Let me try and parse that a bit. Did he tell you at the time you briefed him that he had already briefed the Director?

A No. But he told me afterwards.

Q Okay. So some time later he affirmed to you that he had brought that information to the attention of the Director?

A Right.

Q And would that have been a short time later?

A Yes. I would suspect it would have been shortly after the Director -- well, I can't remember the time frame now. Yes. It would have been a short time after, you know, within a week or so.

Q Now you also testified that you directed [redacted] to advise Lieutenant Colonel North of the discovery in the Ghorbanifar 201 file?

A Yes.

Q Do you know whether he did that?

A Yes. [redacted] mentioned to me at some point later that he had briefed Colonel North.

Q And do you recall approximately what that would have been in relation to in terms of time?

A When it would have been - I would suspect within 10 days or so after our discussion.

Q Did he tell you what North's reaction was to the information?

A The only thing that I can recall is apparently there was very little reaction. I was surprised by the nonreaction, let's say.

Q I gather you were anticipating an expression of gratitude and we will not deal with this person again? Is that correct?

A Yes. I was expecting that someone would come to us and consult with us further on Mr. Ghorbanifar to try to establish who this individual really was and what the professionals' opinions were about Mr. Ghorbanifar, which did not happen.

Q Did [redacted] come back and impart to you any understanding on his part that Lieutenant Colonel North had already engaged himself with Mr. Ghorbanifar?

A No. No, he did not. The only thing, he came back and reported that he had duly briefed Colonel North and commented about the nonreaction.

Q So it was a nonreaction in [redacted] view as well? Is that right?

A Yes.

Q Let me now return to the subject of the meeting on December 5th. What I am about to show you is a document that does not bear a CIA Identifier Number; however, I will describe it for the record. It it prefaced by a cover sheet which bears the title, John McMahon's notepad, reference to December 5, 1985, approval of Finding related to NSC project. Then there is below that a date 28 November '86 MFR [redacted] It bears our Identifier Number of I 0395 through I 0398.

The cover sheet is followed by a document entitled, Memorandum for the Record dated November 28, 1986 and it is a three-page document which begins with the prefatory paragraph, "The following is a reconstruction of cryptic notes that I have from a December 5, 1985 meeting in DDCI John McMahon's office," and so forth.

Would you, if you would sir, take a look at that memorandum and take your time.

(A discussion was held off the record.)

Q I would like to note for the record that upon perusal by the eagled-eyed representatives of the CIA legal staff and legislative liaison a CIIN number has been found for this document, it is CIIN 11. Now, having reviewed this document, Mr. Juchniewicz, do you have a clearer recollection of the meeting on December 5th?

A Not really.

Q Let me then direct your attention to some specific topics and see if this brings back any, or see whether this registered in your memory banks. Do you recall the subject matters that were requested as covering the political scene in Iran, dissension, unrest, and so on?

A Yes.

Q And do you recall the matter of the biography [redacted]

A No, I do not.

Q Let me skip down to this salient entry. This is put in the form of a question. Was it true that Iran was trying to get U.S. HAWK missiles to knock-out Soviet BEAR aircraft over Iran on the Iran/Iraq border? Do you recall that being a topic at all?

A No. Not at all.

Q Now on the second page there is a review of a presentation attributed to [redacted]

A Yes, who was Mr. Clarridge's deputy at the time.

Q Now that review includes among other things a reference to what had been done so far. The first entry there is one plane load has been sent to the Iranians on 24 November, we did not know it included HAWK missiles. Do you recall that presentation of [redacted] at all and whether it included that within the presentation?

A No. My recollection is that he might. [redacted] probably gave an accounting of that November flight and things that he was aware of, but my recollection is that [redacted] was not as au ~~current~~ courant of activities as Mr. Clarridge, so I don't recall any real specifics that he might have gotten into.

Q Okay. Let my phrase the question a little differently. If the plane that was directed to Iran did in fact contain HAWK missiles and that was made known at the meeting within a week or 10 days of the event, would that have been a noteworthy thing in your mind?

A Oh, sure.

Q And, I gather you don't have, however, a specific recollection of the plane being linked to an armament shipment in this meeting, is that correct?

A Not in that meeting, I don't, no.

Q Do you recall the, as part of [redacted] presentation that Lieutenant Colonel North was going to London for discussions and that the following week he was arranging for up to 5 plane loads including 747s?

A No, that doesn't bring back any recollection.

Q How about any reference to a Presidential Finding? Do you recall that coming up at this meeting?

A Nope.

Q Do you recall any reference being made at this meeting to the release of Reverend Weir or "one plane load"?

A Can I go off the record for a minute?

(A discussion was held off the record.)

BY MR. WOODCOCK: (Resuming)

Q Another reference that appears in here as part of the discussion was that key players in this Iran initiative were Kimche and "the private U.S. citizen Interlocutor". Do you recall either of those two names coming up?

A No, I don't recall that coming up at that meeting.

MS. MC NEIL: Can we go off the record at this point?

(A discussion was held off the record.)

BY MR. WOODCOCK: (Resuming)

Q What I'm going to do first, Mr. Juchniewicz, is ask you if you could summarize your collective memory of a series of meetings and if you would single out the three points that you know for certain were the subjects or were involved as subjects of those meetings. And I believe one would be, for example, Mr. Ghorbanifar.

A Right. I recall that on several occasions at least I and possibly others from the Directorate of Operations discussed several points with DDCI. One of the points that we discussed in extenso with him was Mr. Ghorbanifar and our absolute abhorrence over the fact that anybody in the U.S. government would deal with an individual with a reputation of Mr. Ghorbanifar.

Number two, I registered my dismay over the fact that the Israelis were selling arms to the Iranians. And I said that this went absolutely at cross purposes with U.S. policy [redacted] I said it was just absolutely the inconceivable that the U.S. government would stand for something like that.

The other point I remember discussing was the deliberation of possible sale of arms by the U.S. government to the Iranians. And I found this totally inconsistent with U.S. policy at the time and reflected that to Mr. McMahon and I heard from Mr. MaMahon in subsequent conversations that he reflected these very same views to the Director.

Q Now, let me back up to the December 5th meeting. I gather from your recollection these three topics that you just described: Ghorbanifar, the Israeli sale to Iran, and the possibility of U.S. sales to Iran may have arisen at this meeting but you don't have a specific recollection that they did? Is that correct?

A That's true.

Q And I gather it is also your recollection that it is possible that these topics were not raised at this meeting but were raised at some subsequent meeting instead, is that correct?

A Yes, that is correct. But definitely they were raised in my mind with the DDCI.

Q Okay. Let me ask you a different question with respect to these three topics. Do you recall briefing the DDCI for a Saturday meeting in this time frame?

A Yes.

Q And with respect to that briefing whenever it may have occurred do you recall that these three topics were raised?

A Yes.

Q Now let me ask you to see if you can recall whether this information which you brought to the DDCI's attention whether you got any information back from him as to whether he had presented these views to a higher authority and whether there was any reaction to the presentation of these views.

A My recollection is that Mr. McMahon was equally incensed over all these items and that he had mentioned to me that he had discussed these very freely with the Director and his own reservations and concerns.

Q Now, did he tell you whether or what the Director's reaction was to his sharing this information?

A He did not.

Q Do you have any understanding as to the rough time period of this exchange between you and Mr. McMahon.

A Yes. I would say anytime from the latter part of November through December of '85.

Q Now, were you aware at all that in December of 1985 that arrangements were being made and, in fact, ultimately were consumated, that resulted in a meeting between Mr. Ghorbanifar and Robert McFarlane?

A I knew that the arrangements -- I was aware of the fact that such arrangements were being made.

Q How did that come to your attention?

A Well, again I'm not terribly sure but I believe that they were mentioned to me by Mr. McMahon.

Q Now would this information being imparted to you by Mr. McMahon have been the occasion for another opportunity for you to express your view of Mr. Ghorbanifar?

A Yes, but, my feeling was that John was perfectly aware of what my views were and they were shared by him. So, you know, it was something that we didn't really have to dwell on.

Q Did you have an understanding as to whether or what the purpose was for Mr. McFarlane to go and visit with Mr. Ghorbanifar.

A Yeah, my understanding, again having been told to me informally by Mr. McMahon, was that eventually Mr. McFarlane would be the principal U.S. government representative to talk to the Iranians in Tehran.

Q And this would be assuming that Mr. Ghorbanifar as a middle man was able to put the United States in contact with Tehran based officials.

A Exactly, assuming of course that you know in our minds that Ghorbanifar (a) had these contacts and (b) he was able to convince them of the wisdom of meeting with a senior U.S. government executive.

Q Now did you become aware at any point, let's limit this first to the time frame of December, did you become aware at any point of Mr. Ghorbanifar actually coming to the United States?

A You know I read about that after, in other words I was not aware, I don't believe I was aware at the time of his coming to the United States. My impression was that the meetings with Ghorbanifar were all outside the U.S. But I have read in the Tower Commission Report and in other reports that he came to the U.S. and was administered a polygraph in the United States.

Q Let me separate those two events. You are unaware that he came to the United States in December and I gather from the way you just responded to this question you were also unaware that he came to the United States in January and was administered a polygraph.

A I cannot recall those, being aware of those visits.

Q Do you recall any decision coming out of either your branch or out of say [redacted] area to cut off, to affirmatively cut off contact with

Ghorbanifar, and let me put this in the time frame of January, 1986.

A Let me structure this for you because the dates are not clear in my mind. But I remember an episode where we were in the Directorate of Operations were approached by Charlie Allen. And Charlie, in effect, was trying to, on behalf of Colonel North, was trying to get some assistance from the Directorate to have our representatives overseas meet with Ghorbanifar whenever he called in. Apparently he had some method for contacting Colonel North.

Having established this contact they wondered whether one of our overseas representatives could talk to Ghorbanifar and debrief him and I remember very clearly Mr. George telling Charlie that the Directorate of Operations would have absolutely nothing to do with Mr. Ghorbanifar and that if anybody wanted to meet with Ghorbanifar they were free to travel on their own to meet with them, but that the Directorate of Operations would play no part in it whatsoever.

Q Do you have any recollection as to approximately the time frame of this exchange?

A No, I do not, but I do remember, it stands out very clearly in my mind because apparently it came at a point when there was a certain amount of disillusionment in Mr. Ghorbanifar by all the principals who were involved at the time and it was obvious to us that what they were attempting to do was to palm Mr. Ghorbanifar off on us and have us, the Directorate the Operations, get involved in the hand holding and we wanted no part of it.

Q Okay. Let me back you up on that a little bit. You left the Agency as of May 3, '86 and you were winding down as of mid April '86. Is that correct?

A Right. My replacement had been designated and I was already phasing out.

Q Now. This conversation that you have just described, did it take place during that period?

A No. It took place earlier, my recollection is.

Q Now. Let me try and approach this in a different way. You mentioned, and I believe this was not placed on the record, but let me ask you to place it on the record, you mentioned at one point that you became aware of information that the United States was preparing to, in addition to arms, transfer intelligence to Iran. Do you recall what time frame it was that you learned that information?

A No, I can't remember the exact time frame, but I would suspect it had to be within the January to March time frame, January to March 1986. And I was advised of that by, I believe [redacted] who had actually been instructed by someone, to prepare such information for passage to the Iranians.

[redacted] came to me and was outraged that he would have been instructed to do something like that. When I heard [redacted] story I was equally outraged and I remember having a discussion with Mr. McMahon either that very, same day or sometime after that to register our collective objection to the preparation and passage of intelligence to the Iranians.

Q Did he share your objection?

A Yes.

Q Do you know what steps he took to satisfy himself that this was in accordance with policy?

A He, to my recollection Mr. McMahon discussed this with the people at the NSC and voiced his objections there as well.

Q Do you know whether he consulted with the Director on it?

A I'm not sure. You know, somehow in my mind I seem to recall the Director also being equally upset over passing intelligence to the Iranians.

Q If that is your recollection that would have been conveyed back to you from Mr. McMahon.

A Yes.

Q Were you aware at the point that this information was conveyed to you by [redacted] on intelligence whether a presidential Finding had been signed to cover this area?

A The passage of intelligence?

Q Right.

A Or the entire Iran episode?

Q Well, let's approach it, first with the intelligence. Were you aware of whether a Finding would have encompassed this passage of intelligence?

A No, I don't believe it would have encompassed passing intelligence. I don't remember the exact wording of the Finding because I've never seen the Finding, and, you know, we had only preliminary discussions about such a Finding. But my recollection is that there was nothing in there specifically authorizing or calling for the passage of intelligence.

Q Okay. Let me ask the question a little differently. Were you, at the time [redacted] brought to your attention the prospective passage of intelligence, aware of whether or not a Finding did exist on the subject of Iran, of the Iran initiative?

A I had been told by Mr. McMahon that he had been assured that a Finding had been signed. And he mentioned this to me, I believe, sometime in early December.

Q Now, let me back up to that. If your recollection is that Mr. McMahon told you in early December that a Finding had been signed did you have any understanding as to whether that Finding was at all related to the November '85 flight?

A I did not.

Q I gather that you have subsequently become aware that there was a Finding signed in the middle of January of '86.

A January 17, yes.

Q Do you recall having any discussions with anyone about that Finding?

A No. I did not have any discussions. There was one aspect of the Finding that I did have, I discussed I believe with several people, perhaps including the general counsel, Stanley Sporkin, and the discussion had to do with that part of the Finding which instructed the DCI to delay the briefing of Congress.

Q And how did that, how did that subject arise?

A I think he just apprised me of the fact that this was added into the Finding.

Q I gather then in bringing that to your attention -- and that was Mr. Sporkin himself who did that?

A I think so.

Q He must have assumed that you already had some understanding that there was a Finding in the works or already had been signed. Is that correct?

A Yes he did. As you remember I was the one who sent the people to brief Mr. Sporkin following my conversation on I guess it was November 25th with John McMahon to brief Sporkin on the background, whatever knowledge we had of this whole Iranian affair to brief him to see whether, to get his opinion as to whether or not a Finding was necessary for any further CIA support to this activity.

Q Right. And your recollection was that Mr. McMahon told you in early December it had been signed and then sometime following that you had this conversation with Mr. Sporkin where he added for your information I gather that it contained a "no notice" provision in it.

A Exactly. The discussion that I had had at some point with Mr. McMahon went even further. In other words, he had been given assurances by the NSC that the Finding had been signed in December sometime.

Q Did he tell you where he got those assurance from?

A Yeah. He said at a meeting that he had down at the NSC.

Q He didn't identify who it was who provided the assurances, is that correct?

A No, he did not.

Q Turn back to your discussion here with Clair George and Charlie Allen. Were you present at that?

A No, I was not.

Q How did you happen to learn of it?

A Mr. George told me.

Q And to your best recollection that conversation would have occured sometime January to March of '86. Is that correct?

A Yes. And it was at a point as I said before where there were becoming a bit dissolutioned with Ghorbanifar for some reason. He had either (a) dropped out of contact for a given period of time or he had failed to deliver on some of his promises. And the sense I had at that time was that people were beginning to back away from Ghorbanifar to a certain extent.

Q And what purpose was to be served by allowing Mr. Ghorbanifar to talk to foreign agency contacts?

A Just simply that, to give him a channel to continue his contact with the U.S. government.

Q Other than his current channel?

A Other than his current channel.

Q Did you have any understanding as to what his current channel was at that point with the U.S. government?

A My understanding is his existing channel up to that point had been Colonel North and Charlie Allen.

Q Now with respect to -- let me focus first on Charlie Allen. What did you understand was the character of Ghorbanifar's channel, if you will, with Charlie Allen?

A I don't know whether he had direct access or direct contact with Charlie Allen. The impression that I had, and this is only an impression, I don't know for a fact, the impression was that through his, whatever kind of accommodations he had, he would contact Colonel North or his intermediary and Colonel North would then contact Charlie and try to arrange for either Charlie or someone else to meet with Ghorbanifar.

Q Did you have an understanding as to whether Charlie Allen was part of the operation at this point, part of the Ghorbanifar initiative?

A My understanding was that he certainly had first-hand dealing with Ghorbanifar and obviously must have known something.

Q Did you have any understanding as to how it was that he became the one that was dealing with

Ghorbanifar?

A No, I did not. I don't know how that all happened, but my sense was that Colonel North was very comfortable with Mr. Allen and they had a very good working relationship. And Charlie, of course, dealt with the whole issue of counterterrorism for the agency and therefore should have been very instrumental in any of these activities having to do with counterterrorism, hostages, and so forth.

Q You would believe that would cover not just intelligence but also active participation in the hostage release plan?

A Well active participation to the extent that he offered his expert advice.

Q How about acting as an intermediary between North and Ghorbanifar? Would that still be in keeping with his role?

A Well, I think that perhaps Colonel North saw that as an opportunity to use someone who was, after all, somewhat of a professional and someone who would be aware of whatever information that was flowing into the agency on the whole Iranian question, on Iran generally.

Q Did you ever discuss this initiative with Charlie Allen?

A No, I never did discuss it with Charlie Allen.

To be perfectly honest, we were trying to distance ourselves from Mr. Ghorbanifar and anyone that had anything to do with Mr. Ghorabanifar.

Q You are talking about the Director of Operations? Is that right?

A Yes.

Q And when you say we that would include Clair George?

A That would include Clair George. That was Clair's policy.

Q So Clair George's policy was to limit contact with Ghorbanifar or not have any at all?

A Not have any at all. But between any Directorate of Operations people and Ghorbanifar.

Q Now was that a policy that was expressed Directorate-wide?

A Well, it was certainly expressed to anyone who might have had occasion to deal with Mr. Ghorbanifar.

Q Would it apply to [redacted]

A Yes it would.

Q And also to [redacted]

A Yes.

Q Did you ever come across, either through Mr. George or Charles Allen, or otherwise, the information that Charles Allen met with Ghorbanifar in late January?

A Yes. I don't recall exactly how but, yes, I remember someone telling me that Charles Allen had met, not only in January but on other occasions with Mr. Ghorbanifar. But I don't know the substance of or the location of the meetings, the substance of conversations they had, or anything.

Q Were you aware that in February of 1986 the United States began the process of selling arms directly to Iran?

A I wasn't aware at the time, no.

Q When did you become aware of that?

A Well I'm not sure. Really and honestly I am not sure.

Q Do you recall whether when you learned it it had already occurred?

A Yes. It was, I had of course read a lot in the press after my retirement but my recollection was that it was confirmed to me when we had a meeting at the agency when I went back into the agency to review certain files before I gave testimony to the SSCI. And I remember on that occasion having been told point blank that the agency was advised [redacted] of the actual content of that November 25th flight. Now I realize I'm confusing that a little bit with what you've asked.

But I did not know at the time when I was at the agency that we actually got into the exchange and sale of arms.

Q That was not till after you left the agency?

A I believe so.

Q Let me ask you a different question. When you were still --

A Although I notice from that memo that that was -- [redacted] seems to think that that was a subject of some discussion at that December meeting, so that would take it back to December 5th when [redacted] was talking about 5 plane loads.

Q I think the memorandum and I think for the record the witness is referring again to what has been previously identified as CIIN 11 also bearing Senate Identifier of I 0395 through I 0398. In that memorandum there is a reference to prospective flights of up to 5 plane loads.

A Yes. I can't remember exactly when I learned that there would be a sale of weapons, although I do recall knowing that on the flight that McFarlane was to take to Iran there would be some military equipment on that flight. Now I don't know how I know that but obviously someone told me.

Q Let me back up a little bit and try and divide these into some segments. Let me try and place you back in time to February of 1986. Were you aware and let me speak of contemporaneous knowledge, were you contemporaneously aware that in that month [redacted] traveled to meet with Ghorbanifar.

A Yes.

Q And did you have an understanding as to how it was he was tasked at that mission?

A Yes. But I don't know how accurate my understanding is. I think he was tapped because he happened to be the deputy division chief of the NE division at the time.

Q And when he returned to that meeting, did he report to you at all?

A No. He did not. He reported to the Deputy Director for Operations.

Q Now.

A I was never regularly briefed on anything of these things because I was not part of the compartment.

Q I would include that this would be ad hoc as well, as well as regularly scheduled briefings. Were you aware and again I am speaking of contemporaneous knowledge of George Cave becoming involved in this matter?

A Yes.

Q And did you have an understanding as to why it was the agency brought George Cave in?

A Yes. My understanding was that George Cave was brought in because he spoke a dialect spoken by the Mullahs. And so the implication was that the contact at some particular point that the alleged moderates in Iran were Mullahs.

Q Did you know when George Cave had been brought in that Albert Hakim had acted as an interpreter at one of these meetings?

A I did not know about Mr. Hakim until well after my retirement.

Q So that at least to your understanding the involvement of George Cave in early March was unrelated to Hakim acting as an interpreter?

A I don't follow that.

Q Let me ask the question differently. You've testifed that you did not know at the time but it has later proven to be the case that at at least one meeting Albert Hakim acted as an interpreter for the United States side. You were not aware of that at the time?

A I was not.

Q When George Cave was brought on in early March you were not made aware of any, or that his coming on board was related to moving Albert Hakim out as an interprater?

A No I was not.

Q I am going to show you three documents that bear the following identifier numbers -- CIIN 1025, CIIN 1026, CIIN 1027. The companion Senate identifiers following in the same sequence, C 1466 for the first document mentioned, C 1467 for the second document mentioned for the last document mentioned Senate identifier C 1468.

And let me ask for the record, Mr. Juchniewicz, you have had an opportunity now, I gather, to examine these three documents, is that correct?

A Yes, I have.

Q Now, did any or all of those documents appear familar to you.

A Yes. The one identified CIIN 1025 is a spot report which I believe I had read.

Q And that report originates from [redacted] is that correct?

A Yes it does.

Q Now the subject of that report and the reported is dated February 10, 1986, is that [redacted] on February 4, 1986 is advising that he has been, he has himself been advised that Adnan Khashoggi is brokering [redacted]

[redacted] and that Khashoggi's main Iranian contact in this matter is Manucher Ghorbanifar. Now, when that information came in and you read the spot report did you do anything with the information?

A No, I did not. But as a rule let me tell you that the spot reports normally went to the Deputy Director's office and the Director's office. The purpose of spot reports was to bring to the attention of the Directorate of O~~p~~perations management and others, the Deputy Director and the Director, bring them up to speed on certain events that were transpiring that we thought were of particular note.

Q Let me make sure that these terms are clear for the record. When you say the Director, you mean the Director of Central Intelligence.

A I mean the Director of Central Intelligence. It would go, the reports would normally go to his special assistant. And then it was up to the special assisant to brief the Director or put it in his reading material, if he thought it was worth flagging for the Director.

Q Now, this is originating from the Near East division. Do you recall any action being taken on this to dissmeninate it to people who might be involved in the Iranian initiative other than normal routing?

A No, I do not. But bear in mind, that the people involved at that particular point were in the NE division, in other words [redacted] was the deputy chief, I think, of NE division and George Cave was working under contract for NE division, but they were the people involved.

Q You would assume by looking at the origin of this that they would already be aware of this?

A Definitely.

Q Now as to these other documents, CIIN 1026 and CIIN 1027, are these documents that you had seen before?

A I don't recall.

Q You don't recall seeing them before?

A I don't recall having seen them before. But obviously they do relate to that spot report and were the gen~~i~~esis for that spot report.

Q Do you recall having any discussions with anybody about this [redacted] deal and whether it bore any relationship or pertinence to the Iranian initiatives and our contacts with Manucher Ghorbanifar?

A No, I do not.

Q In your view, I'm just asking for your opinion at this point having viewed this document, would this have been a further cause of concern on your part for dealing with Manucher Ghorbanifar?

A It would be just a further reflection of the kind of individual Ghorbanifar is. Namely a broker who would sell anything to anybody.

Q Now I gather that you became aware at some point that [redacted] had become more actively involved in this Iranian initiative. Is that right?

A I became aware that [redacted] had been designated as Directorate of Operations person to, I don't how to properly put this, to be in touch with Colonel North.

Q Was that done through Clair George?

A Yes, it was done through Clair George.

Q So this was an exception to his rule that the Directorate of Operations would not have anything to do with Ghorbanifar?

A Right. I should have made clear when I mentioned that other thing to you was that obviously that pertained, the kind of injunction against having any Directorate of Operations people involved with Ghorbanifar pertained only up to the point when we were asked the Directorate of Operations was obviously asked to take a more active role in this entire thing: At which point I would suspect that Clair had to modify his order.

Q Do you know where that request came from?

A I do not.

Q You don't know whether it came from the Director or from NSC?

A No. But I mean if I were to speculate it came from the NSC to the Director on down to Clair.

Q So that I gather to the extent that [redacted] and subsequently [redacted] became involved in this matter, it was presumably an exception to Mr. George's prohibition and based on some request either from the Director or from NSC, would that be right?

A Yes. I didn't even know, by the way, that [redacted] was involved.

Q That's the first you heard of that?

A Yes. You're the bearer of that news.

Q Okay. Let me then proceed to the period of early March 1986. We know now, so I can put this into the time frame for you, that approximately March 5th George Cave was offically on board as a CIA representative in the Iran initiative. When he came on board he was briefed by [redacted] as to what [redacted] knew up to that point. Were you aware of those goings on?

A I was not. As a matter of fact I was not aware of precisely what Mr. Cave's job or responsibility was going to be other than to act an an interpreter.

Q You had foreknowledge of his coming on?

A I did not.

Q You did not?

A I have not, I did not meet Mr. Cave nor have I had any conversations with Mr. Cave except the both of us attended a meeting shortly before I came down to testify to the SSCI. That was my first contact with Mr. Cave.

Q Now, did you learn, I gather then, after the fact but while you were still with CIA that he had been brought on board?

A Yes.

Q Were you aware that shortly after he came on board that he travelled along with Lieutenant Colonel North to Paris to meet with Ghorbanifar?

A I knew that that was the plan. Actually I knew in advance that Mr. Cave was brought on board specifically to accompany Colonel North and others, I guess to develop some sort of an independent assessment or feel of Mr. Ghorbanifar or to act as an interpreter if the occasion arose.

Q And did you know that that comprised an impending trip to Paris in particular?

A I did not know that in particular, but I knew that it did involve travel abroad.

Q Now when Mr. Cave returned from that trip were you made privy to any of the information that he gathered?

A I was not.

Q Did you become aware while you were still with the Agency that a plan had been developed to transfer spare HAWK parts to Iran?

A Not specifically spare HAWK parts. I mean, I knew generally that they were planning to sell TOW missiles but I did not know anything beyond that.

Q Let me kind of take two steps back here. When you say that you were aware that they were planning to sell TOW missiles, do you include in that a knowledge that TOW missiles already had been sold in February of '86?

A I believe so.

Q So that when you say, when you refer to TOW missiles you are separating that from the February TOW missile sales?

A No, I'm not separating it. I just knew generally that the plan was to sell TOW missiles.

Now, I don't know in what kind of increments, how many, when. I just knew that one of the items was TOW missiles.

Q What I'm trying to do is separate what you perceive to be a prospective shipment from what was a post facto shipment when you made your statement earlier, coupling this in the context of the HAWK spares to your understanding that TOW missiles were to be sold. Was that, had the February TOWs already been sold and you understood some other TOW Deal was in the offing?

A No. I understand what you are saying. That was not the case. My understanding only at some point was that TOW missiles were being considered as one of the items to be sold to the Iranians.

Q I'm going to make an effort to try to fix this in time. Did your understanding with respect to TOW missiles being a possible item for sale arise in the same time frame of your understanding that intelligence was going to be shared with the Iranians?

A Yes. Possibly January-February time frame.

Q Now let me concentrate again on the HAWK spares. You testified earlier that before you left you were aware that there was a trip planned to Tehran. Were you aware that Robert McFarlane was going to be the U.S. representative?

A Yes, I was.

Q Now you also, I gather, had an understanding that that trip would entail the delivery of at least some military hardware.

A Yes.

Q Did you have any understanding as to what the nature of that hardware would be?

A No. I had absolutely no idea.

Q And I gather that -- did you have any understanding that from at least the end of February-on that [redacted] had an ongoing responsibility with respect to participating in the Iran initiative?

A Yes, that was my understanding.

Q Did you have any understanding as to whether he had any role in the acquisition or facilitating the acquisition of armaments from the Department of Defense?

A That I did not know.

Q Did you have any understanding as to what, if any, role the CIA was playing in facilitating the transfer of arms to Iran?

A I had no idea.

Q Did any information during this period of time come to your attention with respect to what kind of purchase price was being asked?

A No. I had absolutely no idea about price. As a matter of fact, I had no idea that money was even going to be an issue. In other words, I somehow came to the conclusion it was the equipment for the hostage, with no money involved.

Q What I'm trying to get at is that -- let me back up. If I'm summarizing your understanding correctly, you were operating under the assumption that it was a straight swap of arms for hostages and that Iran was not paying for the armaments on the side; is that correct?

A That's right. And in none of the discussions that I participated in was money ever discussed or the fact that there would be a price tag on the weapons.

Q And now let me try and parse out some of these discussions that you had. I gather these are occurring on kind of an ad hoc, sporadic basis from January to the time you stepped down; is that correct?

A Yes, exactly.

Q Any idea how many meetings you might have had on this subject?

A They weren't meetings. I mean, what I am recounting is conversations that could have taken place in the corridor or in the men's room, for example. These were not necessarily formal briefings or meetings in which I received this information. As I mentioned before, not being part of the group of those fully briefed on what was happening, I got my information in bits and pieces from people who were just sharing whatever they had with me on occasion.

Q And this, I gather, would have been based on your initial understanding that an initiative was afoot?

A Exactly.

Q So that people felt that they could talk to you because though not actively involved you had some knowledge of the compartmented activity?

A Right.

Q Let me address these things to you. First, let me ask you about your understanding of the state of the Agency's intelligence on the fate of Bill Buckley. Do you know when it was that the Agency understood Bill Buckley had in fact died?

A [redacted] I was convinced that that photograph that subsequently appeared in the press of the person, the corpse wrapped in a blanket, like I don't know who released the photograph, but I was convinced that photograph was Buckley.

Q And was that released in connection with the threatened execution of Buckley following the Israeli air strike on Tripoli?

A No, I don't know exactly, but it seemed to me that the captors released several photographs, and in the process had this figure wrapped in a blanket or a straw mat. I can't recall exactly why they released it, but it was obviously released by the captors and appeared in a Beirut newspaper.

Q Were you aware that in the early stages of the Iran initiative that there were efforts afoot to bring Bill Buckley back, it was hoped, still alive?

A I mean, I know -- I'm aware of the fact that there were initiatives to try to gain the release of all the hostages, but I'm not aware of anything specifically addressing Bill Buckley and getting Bill Buckley back alone.

Q And that would apply to your understanding of the early stages of the Ghorbanifar initiative that, at least, from the point where you became aware of it, Bill Buckley was not -- bringing him alone alive back to the United States was not a part of it?

A It was not. As a matter of fact, my early understanding of Ghorbanifar was not necessarily that he would be instrumental personally in any way in gaining the release of the hostages.

Q What was your understanding of Ghorbanifar's possibly intermediary role?

A Well, Ghorbanifar allegedly was connected to the certain elements in Iran and it was not even clear from these alleged collections of his that these people were in any position whatsoever to exert any influence on the hostageholders in Lebanon. And I don't even know whether that was one of the stated, early stated objectives of Ghorbanifar to try to gain the release.

Obviously this was a very natural thing for him to do, to try to sell the notion that he could get the release of the hostages, but quite honestly I never believed that.

Q In your tenure with the Agency did you ever come across any information that [redacted]

A No. This is the first I've heard of that.

Q In the Tower Report the Director of Central Intelligence is quoted at one point as saying that in the course of a meeting with the President and other CAbinet officers that "I did state that there was historical precedent for this and that it was always the rationale the Israelis had given us for arms to Iran."

Do you have any idea as to what he was talking about, about a historical precedent for Israel providing arms to Iran?

A No, I do not.

Q In your encounters with other Agency people at briefings, formal and informal, on the Iran initiative did you receive any understanding as to whether Israel was playing a role in this and what that role might be?

A You know, I can't be certain. I know I have read an awful lot after the fact, after my retirement, which clearly indicates the extent of the Israeli involvement.

Q I gather you can't separate what you knew after the fact or after your separation from the AGency from what you might have known while you were with the Agency? Is that correct?

A Yes. I believe I do have a recollection somehow that Mr. Kimche was involved or had been involved during my service, but again I don't know the context or anything.

Q Do you recall while you were with the Agency having any understanding as to whether Ghorbanifar had a relationship with Israeli intelligence?

A I did not, no.

Q Again, during your tenure with the Agency were you privy to any information of an initiative involving the Drug Enforcement Administration to pay ransom to receive or to release any hostages from Lebanon?

A No, not the Drug Enforcement Administration. But I was aware of an effort on the part of the NSC to use a Drug Enforcement Agency informant as a go-between

Q Do you recall when it was that you would have known that?

A Oh, God, no, I don't.

Q How did that information come to you?

A The information came to us because I believe we were asked to trace the informant and in the process of providing -- and I"m not even sure that we have any information in our files -- but in the process we did learn that the individual was being considered because he also alleged to have some connection with Lebanon, with people that might possibly have been involved with the abduction of the Americans.

Q Were you yourself involved in that at all?

A I was not.

Q You simply received information on it periodically?

A Yes.

Q Now, while you were with the Agency did you become aware of the involvement or any role whatsoever in this Iran initiative of Roy Furmark?

A No.

Q Did you know who he was?

A I did not know who he was.

Q So that name didn't come to you till after you left the Agency; is that correct?

A Yes.

Q How about John Shaheen? Had you heard that name while you were with the Agency?

A I did hear John Shaheen and I heard it within the context of Shaheen being an acquaintance of Director Casey.

Q Did you ever come across information while you were in the Agency that connected John Shaheen to Cyrus Hashemi?

A Yes, I believe I did.

Q Do you recall how that came to your attention?

A No, I don't. I do not.

Q Do you recall what the information might have been?

A No, I don't know what the context is.

MR. WOODCOCK: Let's go off the record.

(A discussion was held off the record.)

BY MR. WOODCOCK: (Resuming)

Q I am showing Mr. Juchniewicz once again document number CIIN 1033, Senate identifier C-1476. First let me ask you for the record if you recall ever having seen that document before.

A No, I don't recall having seen this document before.

Q That document begins with a salutation to an individual by the name of Arnie. Do you have any idea who that might have been?

A No, I do not. The only Arnie I know is Arnie Donoghue over at State, who -- is that Arnie Donoghue? He is an officer at State and I think he has been appointed Ambassador to Pakistan, if I'm not mistaken.

Q This --

A Oh, that's ARnie Raful. I'm sorry. No, I don't know who that Arnie could refer to.

Q This document refers to the -- starts out with a reference to an update on Hashemi escapade dated July 11, 1985. Do you have any idea as to what the Hashemi escapade might have been?

A No, I do not.

Q Let me turn to an entirely different subject. This is the matter of Central America. I have here a document that bears the number, identifier number CIIN 778. It has a Senate identifier C-0894. Let me show that to you and ask you to take a moment to read that, if you would.

(Pause.)

Mr. Juchniewicz, have you had an opportunity to review this document?

A Yes, I have.

Q That document was generated in 1984 and it refers to, among other things, a suggestion that while a Congressional delegation is visiting, I believe it is, [redacted] that certain planes be kept flying aloft until perhaps the delegation disappears. Do you recall that cable coming through your office at all?

A No, I do not recall this cable, but I think I do recall the incident -- not the incident but the situation. The situation has to do with, I believe, an attempt by a Congressional committee to investigate the use of funds for modifications done [redacted] [redacted] I remember being at a hearing when this entire issue was raised.

In other words, what apparently had been done there was a drainage problem [redacted] and some construction had taken place to rectify the problem because there was a certain amount of erosion [redacted] [redacted] and there was an attempt made to determine whether or not this was in violation of any of the injunctions placed on the Agency for expenditure of funds, and I think it was subsequently determined that it was not.

And I believe there were members of the CODEL going down who were not privy to the Central American program and I believe that was behind the effort to not show any sort of an Agency presence [redacted] while this particular delegation was there.

Q What was the risk posed by making them knowledgeable of that?

A Oh, I don't know exactly, but I would suspect making them knowledgeable of certain aspects of the Central American program which were briefed to the appropriate members of the oversight committee but not to others, and our contention has always been it's up to the oversight committees to brief other Members of Congress.

Q Do you have any idea what the reference to important drops scheduled for Friday means?

A No, I don't recall offhand.

Q Do you think you might have known at one time?

A I would suspect, to be perfectly serious.

Q Mr. Juchniewicz, we have received in our materials a PROF message referring to -- and this was received from the Agency -- referring to lethal drops scheduled [redacted] in August of 1985. Do you have any knowledge of that?

A I may have at the time, but I certainly can't recall it now.

Q What was your understanding at the time as to whether the Agency could have participated in such an endeavor?

A My understanding is that the Agency could not.

Q Let me show you a series of cables and what I'd like you to give attention to is to whether these were cables that you might have seen or might have been brought to the Directorate of Operation's attention in the course of the November 1985 flight, which we now all know contained HAWK missiles.

The first cable that I'm going to show you is dated November 22, 1985. It bears an identifier at the top of 86-4068F. It also has on the right-hand margin the Senate identifier of I-0299. Let me just show you that and see if that is a cable that would have come to your office of the Directorate's office.

A I do recall having been either advised or actually having seen that particular cable.

Q Now again let me go through the same exercise --

A And Copp was subsequently identified to me as being the alias used by General Secord.

Q Did you come by that information contemporaneously with the ongoing operation, or after the fact?

A After the fact.

Q Let me have you do the same thing with this cable, which bears the Senate identifier I-0300. It is again November 22, 1985, and it has an identifier on top which is 86-4068F.

MS. MC NEIL: Can we ask again just for a minute for the records, since there are no CIIN numbers referenced, when we obtained these documents?

BY MR. WOODCOCK: (Resuming)

Q These are obtained from the Select Committee on Intelligence. I believe that these documents were brought to the Select Committee on Intelligence by Duane Clarridge when he appeared before the Committee and testified in 1986. Do you recall having seen that document?

A I do not recall having seen that document, but I do recall having been told something about that episode.

Q Question, if I may. Do you recall information coming in by way of cable that describe the difficulties, precisely what the difficulties were that were being encountered [redacted] to get clearance for this flight?

A The difficulties, as I recall, was the approval [redacted] for the either landing or refueling or overflight.

Q Now, did you come by that information through this cable traffic?

A Yes.

Q While you were at the Agency on November 22 and November 23 is it fair to say that to the extent you were physically present at the Agency you were seeing cable traffic as it came in?

A Certain cable traffic that was pulled for us by our staff aides.

Q And then you did see cable traffic relating to this particular effort to gain landing rights for the --

A I do recall having seen some of the cable traffic [redacted] at that time.

Q Now, do you recall seeing any cable traffic coming in [redacted]

A I do not.

Q As a matter of record, a cable was crated [redacted] which among other things referred to a conversation between the pilot of the aircraft and [redacted] wherein the pilot speculated that he was carrying military hardware. I gather you did not have contemporaneous knowledge of that.

A Did not, no. But I heard about that afterwards.

Q Did you hear about it shortly afterwards or was it a long time?

A It was a little while afterwards. I don't recall exactly how long after.

Q Let me show you -- for the record, this is a cable dated November 25, 1985. There is a Senate identifier, 1I-0436. And let me just ask you to review this cable and ask you whether you've ever seen that before. This cable, I gather, is one you have not seen before.

A I don't recall having seen that cable.

Q And that cable does contain within it the exchange between [redacted] and the pilot where the pilot speculated he was carrying armaments. Do you recall that observation at all becoming a subject of discussion on November 25?

A No, I do not recall it being a subject of discussion then, but, as I said, it was a subject of discussion afterwards. But again I can't recall exactly how long afterward it was a discussion.

Q Let me bring you back to Saturday, which would have been November 23. You were at the Agency at the time. Do you recall Charlie Allen also being at the Agency?

A I have no idea whether he was or was not on that day.

Q Do you recall Duane Clarridge being at the Agency on Saturday?

A No, I would have no way of knowing. In other words, I was on the seventh floor and pretty much confined to my office as the only one being there, and whether or not those people were in or out would be hard for me to determine.

Q Now let's assume as a hypothetical matter that Duane Clarridge is in the office working on this very same matter -- that is, facilitating the flight of this aircraft. Under those circumstances would he have come to your attention?

A Not necessarily. I mean, he would consult or call if he felt he had something he wanted to discuss with us. And if he had nothing which he wished to bring to our attention he could be in all day Saturday and we would never know he was there. And likewise, if we had nothing to talk to him about we would never have occasion to know whether he was around or not.

Q Some of this cable traffic is coming in on the 23rd and presumably you are seeing some of it as it comes in; is that correct?

A Seeing that the scanner, our scanner should be seeing some of it.

Q That's not prompting you, I gather, to go down and seek him out?

A No, it did not, either because I did not see it or was briefed on it.

Q Have you ever had a discussion with Charlie Allen about this particular flight?

A No. The only time I heard anything from Charlie Allen about this particular flight was shortly before I came down to give testimony to the SSCI.

Q Did he tell you at that time that he was in headquarters over that Saturday?

A No, he did not, because it was part of a larger meeting and that was not discussed at all. In other words, the only thing that was discussed was the fact that they had been able to determine exactly -- yes, he mentioned it -- it was only on January 13th, according to his recollection that they were able to determine exactly what was on that November flight.

Q Okay. Run that by me again, if you would.

A During this conversation, during this meeting at which both Charlie and I participated I heard Charlie mention that it was only January 13th when the Agency had gotten the information from [redacted] who told us precisely what was on that November flight.

Q Did he tell you that he had strong suspicions before that time that it was armaments?

A I didn't get into that with him because we were one of 12 people at this meeting.

Q One more question before we break up. Did you ever come by any information that Richard Secord put together [redacted] that would be useful in a hostage rescue attempt?

A No, never. I wouldn't believe it.

MR. WOODCOCK: Thank you again, Mr. Juchniewicz. We appreciate your willingness to come down here and make time for us.

(Whereupon, at 5:35 p.m., the taking of the instant deposition ceased.)

____

Signature of the Witness

Subscribed and sworn to before me this ___________ day of

________________________________, 1987.

____

Notary Public

My Commission Expires: ________________________________

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Stenographic Transcript of

HEARINGS

Before the

HSIS 064 /87

UNITED STATES SENATE

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Washington, D.C.

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TESTIMONY OF ROBERT WILLIAM KAGAN

Tuesday, May 12, 1987

U.S. Senate,
Select Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
Washington, D.C

Deposition of ROBERT WILLIAM KAGAN, a witness herein, called for examination by Counsel for the Senate and House Committees in the above-entitled matter, pursuant to notice, the witness being first duly sworn by JANE W. BEACH, a Notary Public in and for the District of Columbia, at the offices of the Senate Select Committee, 9th Floor, Senate Hart Office Building, at 3:05 p.m., Tuesday, May 12, 1987, the proceedings being taken down by Stenomask by JANE W. BEACH and transcribed under her direction.

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On behalf of the House Select Committee

TERRY E. TRAYLOR
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Washington, D.C.

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P R O C E E D I N G S

Whereupon,

ROBERT WILLIAM KAGAN

was called as a witness by counsel for the Senate and House Select Committees and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF SENATE COUNSEL

BY MR. SMILJANICH:

Q State your full name for the record, please.

A Robert William Kagan.

Q Spell the last name, please.

A K-a-g-a-n.

Q And your date of birth, Mr. Kagan.

A 9/26/58.

Q Mr. Kagan, this is a deposition being taken by the Senate Select Committee and House Select Committee jointly investigating the Iran contra matter. I am going to ask you a series of questions. If there is anything I ask you in which you do not understand my question, please let me know and I will be happy to rephrase my question.

First of all, what is your current title or position?

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Partially Declassified/Released on [illegible] 21 19[illegible]
under provisions of E.O. 12356
by D. Sirko, National Security Council

A Deputy for Policy and Public Affairs in the Bureau of Inter American Affairs, the State Department.

Q Is that basically the same thing as being called the Director of the Public Diplomacy Section?

A Being coordinator of the Office of Public Diplomacy is one of my tasks in that position.

Q In that section, then, you are the highest official in that section?

A The Director of the Office of Public Diplomacy; that is right.

MR. SCHWEITZER: Mr. Smiljanich, may I just interrupt? I would like to put something on the record. That is, that we are appearing here voluntarily and not pursuant to a subpoena, but at your request that we voluntarily appear.

MR. SMILJANICH: That is true.

BY MR. SMILJANICH: (Resuming)

Q You are a political appointee at the Department of State? Is that correct?

A That's right.

Q Would you give me a quick summary of your educational background and work experience prior to entering government service?

A I graduated from Yale University in 1980.

I worked for a year at a magazine in New York called The Public Interest.

I spent two years at Harvard's Kennedy School of Government. I worked for less than a year for Congressman Jack Kemp. Then I worked briefly at the U.S. Information Agency before coming to the State Department where I was the Chief Speechwriter for Secretary of State George Shultz from about June of 1984 through November of 1985.

Then I became Special Assistant to the Assistant Secretary of State for Interamerican Affairs, and in April of 1986 I became Deputy for Policy and Public Affairs.

Q What is your degree in?

A It is in international affairs.

Q And when you became Special Assistant at the Bureau of Interamerican Affairs, who was the Assistant Secretary of State at the Bureau?

A Elliott Abrams.

Q And in April of 1986 then you came to your current position?

A That's right.

Q What were your duties as Special Assistant to Secretary Abrams?

A They varied. It was pretty much whatever

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Mr. Abrams wanted me to do, mostly focusing on issues pertaining to Central America, writing letters for him, occasionally drafting speeches, but a variety of things.

Q What is the function of the Public Diplomacy Section that you are currently coordinator in?

A The Office of Public Diplomacy is designed to produce information pertaining to issues in Central America and U.S. policy in Central America and to attempt to explain that to publics in the United States, Latin America, Europe.

Q Who was your predecessor in that position?

A Otto Reich.

Q He is currently ambassador to Venezuela, I believe?

A That's right.

Q And the Office of Public Diplomacy was originally not in, or within the Bureau of Interamerican Affairs. Is that correct?

A That's right.

Q It was under the Secretariat?

A That's right.

Q When did it switch over to the Bureau of

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Interamerican Affairs?

A My belief is that it was simultaneous to my taking over that job.

Q When you took over that position, the office--and I am going to refer to it as LPD; those are the initials that are used within the State Department. Is that correct?

A That's right.

Q LPD at that time had a contract with an organization called IBC. Is that correct?

A That's right.

Q And that contract was in existence at the time you became coordinator and deputy?

A Well, the contract had been drawn up and negotiated, but pending its security clearance it had not been executed.

Q Okay. I realize that the contract is a contract, and one can look at it and see exactly what it says, but would you just give me, if you would, just a general summary of what you understood the contract to be about?

A The contract was basically to assist the office in doing what the office does, and primarily under my watch that entailed helping to distribute the publications that my office produces.

Q Who were the principals of IBC that you dealt with?

A Richard Miller and Frank Gomez.

Q What was the term of their contract, do you recall, when you inherited it?

A It was the fiscal year 1986 ending, September 1986.

Q Did the contract expire in September of 1986?

A Yes, it did.

Q It wasn't renewed?

A No.

Q As Special Assistant to Assistant Secretary Abrams, did you on occasion attend meetings of the Restricted Interagency Group for Latin America?

A Yes, I did.

Q That is commonly referred to as the "RIG", all capital letters, R-I-G. Approximately how many of the RIG meetings would you attend? Could you give me a percentage?

A I would say 80 to 90 percent.

Q And this is from the time period of November of 1985 to April of 1986?

A That's right.

Q By the way, in your current position did you still attend meetings of the RIG?

A Yes.

Q With the same frequency, or less?

A Generally the same frequency?

Q Has that continued through today?

A Well, there is now another group called the IG/N, which is the special Interagency Group on Nicaragua.

Q Is that "IG/N"?

A Yes.

Q Okay. The RIG was for Latin American, but quite often dealt with Central America. Is that correct?

A That's correct.

Q Would it be fair to say that in fact most of the RIG meetings did concern themselves with matters in Central America?

A I would say more than 50, 60 percent.

Q When Central America was the topic of the RIG, first of all, who chaired the RIG?

A Mr. Abrams.

Q And when Central America was the topic of the RIG, who were the usual attendees?

A Representatives from the National

Security Council, usually Raymond Burghardt, and Colonel North, and/or Colonel North. From the CIA, [redacted] and Bob Vickers. From the Defense Department, Nester Sanchez while he was still employed there. From the Joint Chiefs of Staff, General Moehlering, and Colonel Croaker. And from the State Department, Mr. Abrams, Mr. Walker, frequently Mr. Michael. Depending upon the issue, it might be any of the other deputy assistant secretaries and myself.

Q Was there anyone designated as a note taker at these meetings?

A No.

Q Were notes kept, to your knowledge, of the matters discussed at the RIG?

A I don't know of any systematic notekeeping.

Q Did you keep notes?

A Not generally.

Q Were any minutes maintained of the RIG meetings?

A Not that I'm aware of.

Q Were the meetings recorded in any way, tape-recorded or otherwise?

A No, not that I'm aware of.

Q At a typical session of the RIG dealing with Central America, of all of the people you have named here approximately what was the usual number of people that would attend a RIG on Central America, understanding it would fluctuate.

A I would say 8 to 10, 8 to 12.

Q What was the function of the RIG?

A I would say it was part informational for the various agencies, and partly a consensus-reaching group.

Q Would it be fair to say that the RIG would deal with day-to-day foreign policy in Central America?

A I would say it was a little broader than that, since it did not meet on a daily basis, but pretty current, yes.

Q In other words, it did deal with policy matters and come to conclusions and make decisions with regard to implementation of broad foreign policy on Central America?

A It did--I wouldn't say it came to decisions systematically.

Q And it worked on a consensus basis?

A That's right.

Q If a consensus couldn't be reached, it

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would have to be kicked up to the next level? Is that right?

A That's my understanding, yes.

Q Now was there a smaller working group within the RIG that dealt with matters involving the Nicaraguan Opposition?

A I wouldn't say so, specifically. There were meetings occasionally of a smaller number, but those meetings might cover other issues in Central America as well.

Q Well, then, striking the limitation of dealing with the Nicaraguan Opposition, was there then generally just a smaller working group of the RIG?

A There were meetings of what might be referred to as a "mini-RIG," yes.

Q And I believe you--well, earlier today I had an opportunity to go through some of the notes that you provided. I noticed in there that in fact there was one reference to a term that you had used during our interviews some weeks ago, the "RIGlette."

A Not a formal term.

Q I understand. The R-I-G-l-e-t-t-e.

A Not a formal term.

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Q I understand. The RIGlette was not a formal organizational construct within the ARA, but there was in fact a smaller working group that had some kind of an informal identity, as such. Is that right?

A I would say so, yes.

Q And who were the members of this smaller working group, or RIGlette?

A As I recall it, it was Mr. Abrams, Mr. Walker, again it might have been Mr. Michael on occasion, [redacted] and/or Colonel North and Mr. Burghardt.

Q Of the two, between Colonel North and Ray Burghardt, would it be fair to say that as far as attendance or involvement in this mini-RIG, Colonel North was the usual participant from the NSC as opposed to Ray Burghardt?

A I would say that he was more frequently in attendance.

Q And would it also be fair to say that there were several times when the mini-RIG got together that there were in fact just the three in attendance, Abrams, [redacted] and North?

A I can't speak to that, because I wasn't obviously at those meetings. It's possible that those meetings took place, but I'm not aware of them on a systematic basis.

Q Did this smaller working group meet with any frequency during the time period from November of 1985 to April of 1986?

A You're not talking about the three now; you're talking about the larger?

Q No, I'm talking about the smaller working group.

A Just Abrams, [redacted] and North?

Q Well, perhaps one or two others in addition to that.

A Well, the group that I described to you met fairly frequently in that period.

Q My question though is, with regard to this mini-RIG.

A Yes, I'm sorry. You've distinguished between what I referred to and described as the mini-RIG or RIG-lette, and a meeting between [redacted] North, and Abrams that I am not speaking to.

Q I understand. Let me drop that distinction--

A Fine.

Q --and just deal with the mini-RIG that you described which would include Secretary Abrams, sometimes William Walker--

A Right.

Q --sometimes Jim Michael.

A Okay.

Q It would usually include [redacted] and would usually include Colonel North, although there were times it could have Ray Burghardt in substitution for Colonel North.

A Right. Now what was the question?

Q The question is, did that mini-RIG meet with some frequency during the time period of November of 1985 to April of 1986?

A Less frequently than the RIG, but it was a regular occurrence.

Q Would it be fair to say that it met anywhere from two to four times a month?

A Yes.

Q Did Secretary Abrams ever describe for you or discuss with you any of the topics that were discussed at a mini-RIG meeting?

A One in which I was not in attendance?

Q Yes.

A No. Well, not that I can recall.

Q Well, let me ask it this way then: You were his special assistant during that time period?

A Part of that time period.

Q Well, I'm specifically talking about November of 1985 to April of 1986.

A Oh, okay.

Q During that time period, were there matters that to your knowledge Secretary Abrams was not sharing with you that were being discussed at the RIG?

A That were being discussed at the RIG?

Q At the mini-RIG.

A At the mini-RIG at which I was not in attendance?

Q Yes.

A I can't tell you--how would I know whether he was not sharing something with me?

Q Well, did you ever get the impression that matters at the mini-RIG were so tightly held that it was not being shared with you, Secretary Abrams' Special Assistant?

A I would say that if I was not invited to a meeting, that my assumption at the time was that there were things being discussed at the meeting which I was not intended to know about.

Q How many meetings of the mini-RIG did you attend?

A I really couldn't say, but I would say on the average of two a month.

Q Okay. What topics were discussed at the mini-RIG during the times you were in attendance?

A The topics that I recall, frequently the subject was the upcoming Congressional votes on contra aid, and on the issue of the contras specifically I recall meetings discussing the issues of contra leadership and factual disputes within the contra leadership.

Q Did any of the meetings of the mini-RIG that you attended deal with problems of supply to the contras?

A I don't remember that in that time period that you're discussing.

Q Was there another time period that you do recall such discussions?

A I recall discussions later I think in the summer of 1986 about shortages that the contras were going to be facing.

Q Tell me about those discussions.

A Well, generally it was the time at which the humanitarian assistance money was running out, and in the expectation that ultimately Congress would vote aid there were discussions about the fact

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that the contras would be running out of the humanitarian supplies in that period.

Q Were any conclusions reached about anything that could be done to alleviate the situation?

A I don't recall conclusions, but I recall discussions of going to solicit from third countries humanitarian assistance.

Q Now we're talking about discussions at meetings of what group?

A I can't differentiate. I mean, they could have been at RIGs, or at the smaller meeting, or both.

Q Did the discussions concerning solicitation specifically limit such solicitation to humanitarian aid?

A The discussions, the concerns were as I recall them shortages of things like clothing, and medicinal supplies, and food. So those were the shortages that I recall being discussed as a problem that needed to be dealt with.

Q At any time that you're aware of, did any of the RIG meetings discuss government assistance to private groups who were aiding the contras?

A No.

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Q Did any of the RIG meetings, to your knowledge, ever discuss the provision or the assistance--strike that.

Did they ever discuss military supply to the contras?

A Not that I recall.

Q Did you ever discuss either of those two topics with Secretary Abrams during the time that you were Special Assistant?

A Either of what two topics?

Q Government assistance to the private groups, or military supply to the contras?

A No, not that I recall. No.

Q When did you first become aware of the existence of a secret air field [redacted]

A I must say, at the time that I became aware of it, I didn't know whether it was a secret air field or not a secret air field; but I can't remember exactly. I believe it was late--you will know better than I do, but late summer or early fall of 1986.

Q Are you talking about the press conference issue that came up--

A That's right.

Q --in September of 1986?

A That's right.

Q That was when you first became aware of it?

A That's right.

Q When solicitation, or the possibility of solicitation from foreign countries was discussed in times when you were present, were the names of specific countries ever mentioned?

A Yes.

Q What countries do you recall being mentioned?

A Well, I recall countries being mentioned and then discarded as possible, but merely mentioned, [redacted] even [redacted] Those are the ones that I recall. But as I say, some of those were discarded.

MR. SCHWEITZER: Excuse me one second.

[The Witness and Mr. Schweitzer confer.]

THE WITNESS: [redacted] may have been discussed, too. It's possible.

BY MR. SMILJANICH: (Resuming)

Q Were any of these countries that you have mentioned, to your knowledge, approached for a specific solicitation?

A I have no knowledge of that.

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Q The information you had was each of the countries you named were all eventually discarded as a possibility?

A No, I don't know that. I know that it was--I understood from Mr. Abrams that it was the Secretary of State's view that countries with which we had a large aid relationship should not be included on that list. So I would say [redacted] there was a desire not to incur an obligation with those kinds of countries.

But as for the others, I would say [redacted] falls into that category, too.

As for the others, I don't know what action was taken.

Q You were not aware of the solicitation, successful solicitation, to the Government of Brunei until the matter became public sometime later?

A That's right.

Q When did you first meet Colonel North?

A Sometime, I would say, in December of 1985 or January of 1986. Sometime after I came on to work on the Bureau.

Q You mean after you became a special assistant to Secretary Abrams?

A That's right.

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Q That's the time period in which you first met Colonel North?

A That's right.

Q What was the nature of your contacts with him? In other words, just in a general sense?

A In a general sense, they were to be present at the meetings he was present at.

Q Did you ever meet with Colonel North in his office?

A Yes.

Q On how many occasions are we talking about? Just a few, or several?

A I would say maybe 10 times, 15 times, maybe less than that.

Q Were these at meetings in his office, or one-on-one conversations with him, or mixtures of the two?

A They were usually one-on-one conversations.

Q And again in general, what was the nature of your discussions with Colonel North in his office?

A I would say they fall into the categories of discussions of the congressional situation; discussions of my area of responsibility, public diplomacy, and how White House presidential actions in support of the public policy effort [sic], and I also discussed with him my concerns about contra leadership disputes.

Q Okay. Were you aware during the time period that you were Secretary Abrams' Special Assistant that Colonel North was involved in any way in obtaining lethal aid for the contras?

A No, I was not.

Q Were you aware that Colonel North was involved in any specific fund-raising activities on behalf of the contras?

A I was not aware of specific fund-raising activities.

Q Did you have a general sense that Colonel North was involved in such activities?

A I had a perception that he was either involved or knew of people who were involved.

Q Where did you get that perception?

A I have been racking my brain to come up with an answer to this question. I do not have an-- I do not know how I developed that perception.

Q Can you tell me if it was common knowledge around the State Department or around Washington that Colonel North was involved in such activities?

A I don't know whether it was common knowledge or not.

Q Were you ever involved in any fundraising activities on behalf of the Freedom Fighters?

A I'm sorry?

Q Ever involved in any fundraising activities, yourself.

A No.

Q There were one or more occasions in which functions were put together which involved Secretary Abrams, I believe, perhaps giving a speech to a group of potential donors. Do you know what I'm talking about?

A No, I don't, actually.

Q To your knowledge, did Secretary Abrams ever participate in any White House briefings for potential donors?

A I know he participated in White House briefings, but I was not aware that it was potential donors.

Q What kind of White House briefings are you knowledgeable of?

A There are briefings of what we call "core supporters," which I considered to be mostly keeping the faithful in support of the policy; meetings that were held in Room 450 at the White House where people speak to groups that are already involved in various different ways. But I was not aware that those were fund-raising activities.

Q Did you participate in any of the briefings that Secretary Abrams conducted at the White House for these core supporters?

A No.

Q In other words, you didn't set them up, or go with him and assist him in any way with them?

A Not during this period of time that you're talking about. I recall a briefing that he did in one of these rooms, but I believe it was in late 1986. I'd have to go back and check the calendar.

Q Do I understand correctly that what you are saying is you do recall Secretary Abrams speaking to a group of core supporters at the White House one time in late 1986?

A Um-hmm.

Q What about prior to that? Do you recall any others?

A He may have. I just don't recall them; and I don't recall being involved in them.

Q So the only one you can specifically recall that you could talk about in any way was one time in late 1986?

A That's right.

Q And how late in 1986? Can you be any more specific?

A Just my recollection is after October.

Q And was this something you just knew about? Or something you had some role in?

A It was something that I had some role in.

Q What was that role?

A Well, actually it was my deputy, Dan Fisk, who was most involved in setting it up.

Q What do you mean by "setting it up"? What exactly was done by your office, if not by you personally?

A I'm not sure exactly what, but it was some--I mean, working it out with the White House to assemble this group of people to hear a speech from Mr. Abrams, and Mr. Sorzano at that time.

Q Mister Who?

A Ambassador Sorzano at the National Security Council now.

Q Could you spell that for the court reporter?

A S-o-r-z-a-n-o. He's now in charge of Latin America for the National Security Council. Now that I mention that he's involved, it may even have been later than I'm talking about. It may have even have been 1987.

Q So, I don't mean to be repetitious, but other than this one incident that you have some recollection of, you can't tell me about any other times in which Secretary Abrams went and gave any kind of a speech to a group of people at the White House about contra matters?

A I'm sure he did other ones. I just can't recall any specifically.

Q Go ahead.

A Let me just say that you've been through my notes, and there is a reference to a meeting that in fact never took place in my notes. I don't know whether you're thinking about that or not.

Q No, I'm not. I'm frankly not zeroing in on any particular thing.

A Okay.

Q Let me look at the notes I took here. No. What is in your notes that didn't take place?

A There was just going to be a meeting while he was in Miami. There were some people who wanted to get a briefing on the situation in Central America, but it never came off. I just didn't know whether you were referring to that or not.

Q Do you recall who those group of people were?

A It was set up by someone named Thor Renee, but I don't know who the other participants were.

Q Did you know a man by the name of Spitz Channell?

A Yes.

Q When did you first meet him?

A I believe it was the late summer or early fall of '86.

Q Late summer, early fall. And in what context did you meet him?

A I met him at a party, and then I later had lunch with him.

Q Was this social, or business?

A I guess it was mostly social.

Q Well, tell me about the part that wasn't social.

A Well, it wasn't social in the sense that we discussed--this was after the vote, and we discussed, you know, prospects for future contra aid and the general political situation. So I guess you could say that was professional; but nothing in a professional--I mean, there were no actions that came out of the meeting, or anything like that.

Q What did you understand his position, or role to be?

A I understood him to be involved in an effort to put ads on television. That's basically it. Having to do with Central America.

Q Lobbying activities, public relations in connection with--

A I don't know what "lobbying" is, so I won't say that, but they had some public relations, yes.

Q And they concerned our foreign policy in Central America vis-a-vis the Sandanistas and the Freedom Fighters? Is that right?

A Yes.

Q Do you recall whether or not you were aware that Mr. Channell had any organizations that he was working under in performing this role?

A At some point I gathered that he was involved in something called the National Endowment for the Preservation of Liberty.

Q Did Mr. Channell ever ask you to do

anything in connection with his work?

A No.

Q Did you offer to do anything in connection with his work?

A No.

Q Did you do anything in connection with his work?

A No.

Q To your knowledge, did Secretary Abrams do anything for or on behalf of Mr. Channell or his organization?

A Not to my knowledge.

Q Do you know whether or not Mr. Channell or his organization has ever put together any large fund-raisers, not at the White House, but just fund-raisers in which Secretary Abrams might have come and spoken to them?

A I'm not aware of any.

Q And you never did anything like that?

A No.

Q Are you aware of any secret briefings that were put together or conducted on behalf of supporters of the contra policy?

A No.

Q Secret briefings at the White House, for example, or things that were advertised to people as secret briefings by the National Security Council or other people?

A No.

Q The briefings of core supporters that you talked about generally, who were these core supporters? Who would they be?

A Oh, there's the Interamerican Security Council; there's Sam Dickens and whatever his organization is; I mean they could be any number of people. I'm not sure how the lists were put together. But Penn Campbell of Prudemka might be in attendance. At the one that I recall, there were journalists present, too, I believe.

Q Okay.

A Not that they were core supporters. Citizens for Reagan.

Q Going to your notes that, as I described for you before we went on the record here we are not able to have copies with us today, but I took notes of your notes. Let me just ask you about a couple of matters.

First of all, there were no years indicated on the notes, and it was hard to tell whether we were dealing with '85 or '86.

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A Do you want me to tell you?

Q Yes.

A The period that you saw is about September of '86 through January of '86--I mean, through January of '87.

Q Okay. That makes sense. Because I saw a reference on October 20, you had written in your notes the name Hasenfus, and then you had a telephone number, and underneath it it said "Ernie Plagar," and then underneath it said, "don't need money."

A I guess it matters whether it is '86 or '85.

[Laughter.]

Q That's why I wanted to know if that was October of '86 or October of '85. That would make a big difference. October of '86. Do you recall what that particular note was about?

A Yes. Colonel North has asked me to get ahold of the telephone number of Hasenfus' lawyer to see whether there was sufficient money, I guess, for the legal defense fund, and I did so.

Q To the best of your knowledge, why would Colonel North call upon you to do something like that?

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A I don't know.

Q I know you can't speak for him, but can you tell me, based upon your relationship with him, why you the coordinator of public diplomacy at the time would be the person who would want to call to make contact with Mr. Hasenfus' lawyer?

A I think he could have called any number of people. Maybe he didn't get them on the phone before he got me on the phone. But since I went to the Office of Central American Affairs to get that information, it was not as if there was any special channel.

Q Okay. Did you maintain any kind of relationship with the various contra leaders themselves?

A Only from a professional point of view.

Q That's what I meant, from a professional point of view.

A Yes.

Q In what way? Just start with who you would deal with on a person-to-person basis among the contra leaders.

A Well, none of them on a very regular basis; but I would say all three of the leaders of that time: Arturo Cruz, Alfonso Robelo, and to a

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lesser extent Aldolfo Calero.

Q To a lesser extent Calero?

A Yes.

Q Why to a lesser extent Calero when he is actually in some ways much more involved in UNO activities?

A Well, it was my hope that Cruz and Robelo would become more involved in the factional dispute between those three. I was regarded, and rightly so, as a supporter of Cruz and Robelo.

Q Would it be fair to say that one of the major problems with contra factionalism during that time period, and perhaps even to today, is trying to keep the other contra factions associated with Calero's group, the FDN?

A Yes, I would say that. I might characterize them differently, but that's about right.

Q Also, isn't it fair to say that a lot of the major problems with regard to contra factionalism emanated from the Southern Front groups [redacted]

A I wouldn't say so. Cruz and Robelo--Robelo really didn't represent much in the way of the Southern Front, and Cruz represented almost nothing in the way of fighters on any front, and I was mostly concerned with the sort of political relationships, not the military relationships.

Q Did you have any dealings with Negro Chamorro?

A Only once when he came in to visit Mr. Abrams.

Q Tell me about that one time that you can recall, or what you can recall about it?

A What I can recall about it is that Negro Chamorro wanted to see Mr. Abrams I believe because he had seen that Cruz and Robelo and Calero saw Mr. Abrams, and I think he wanted to see Mr. Abrams, too. So there was just one meeting between the two of them at which several people were present, and since I don't speak Spanish I can't tell you exactly what transpired at that meeting. But my recollection is that nothing substantive did.

Q You don't recall whether he asked for any help or assistance from Secretary Abrams?

A I don't recall that, but again I'm at a disadvantage in not being able to speak the language.

Q You don't speak Spanish? Is that right?

A No, I don't. I try to understand it, but when they talk too fast I don't get it.

Q Do you have any foreign language proficiency?

A I used to. I mean, I've spoken French, and Greek, and German. Spanish was the one language I didn't do.

Q That's like me.

A I hope you don't release that to the general public. That would be very embarrassing.

Q What about Eden Pastora? Did you ever have any one-on-one dealings with him?

A No, not one-on-one, but I was in two meetings with him that I can recall.

Q When were they?

A I would say August or September of 1986.

Q Don't ask me. I don't know.

A I'm asking myself, and that's the answer that I'm coming up with.

Q Both meetings, you mean, during that same time frame?

A Yes.

Q What were the meetings about?

A Well, Pastora was not at all part of the resistance effort at that time, and we at the State Department felt that it was a loss to have someone of Pastora's personality and appeal to be completely uninvolved, and we were discussing with him whether he would not agree to lend his name to the effort, if nothing else.

Q Back in March of 1986 when you were still Special Assistant to Secretary Abrams, there are various cables and memos concerning a problem that arose when Ambassador Tambs and others met with General Singlaub [redacted] concerning an agreement that General Singlaub entered into with Eden Pastora.

Were you at all a part of the loop, or a party to any of that controversy that erupted in March of '86?

A I had no active role in that, other than to be aware that there was this issue, but I didn't have any role in it.

Q Did you participate or attend any meetings in which General Singlaub came to Washington and met with Secretary Abrams?

A No, I wasn't.

Q So you've never been present at a meeting where Singlaub and Secretary Abrams were talking?

A I've never met Mr. Singlaub.

Q When I was asking you about any knowledge you may have of fund-raising activities that involved in any way the White House, Colonel North, and I asked about Secretary Abrams, I didn't include the President.

Were you aware of any fund-raising activities or secret briefings that took place in which the President talked to a group of people that were potential donors to the contra cause?

A No.

Q When did you first become aware that General Secord was involved in the supply network to the contras in Central America?

A After the revelations in November.

Q Before that, it was not a name that you associated with the contras in any way?

A No.

Q Okay, well, that may be all I have.

[Pause.]

Well, let me just ask, going back to the RIG for a moment, let me just ask it this way: More than one person besides you has described the fact that there was an official RIG, but that there was a smaller working group which primarily consisted of Secretary Abrams, Colonel North, and [redacted]

Based on what you've told me so far

today, I can't really tell whether you would agree with that perception of not. Can you just tell me whether or not you would agree with the perception that there was a three-man RIG that dealt with Central America?

A All I can say is I have a hard time speaking to meetings at which I wasn't present, or the regularity of such meetings. But I don't have a recollection of a regular meeting like that. I don't want to say that that means it didn't happen; it just doesn't appear in my recollections.

Q Well, I would like you to drop the word "regular" from your description. Not a regular meeting, once a week or once every other week or anything like that, but an unofficial grouping of the RIG consisting of those three individuals who dealt with contra matters, or tightly held matters involving Central America. Did you have any such perception during that time frame?

A That there were occasional meetings with members of the RIG that I did not attend, I was aware that there were meetings like that. I don't know, are you trying to--I'm obviously not responding--

Q No, all you can give me is your

perception of it.

A I think I have pretty much characterized what my recollection is.

Q Give me a second.

[Pause.]

Either before or after regular RIG meetings of the full RIG, did you ever perceive that those three individuals met together, as I say either before the full RIG got together or perhaps stayed around after the RIG broke up, to continue discussions of Central American policy?

A I can recall instances where that did happen, but I cannot say that that was a regular, to my recollection, that that was a regular occurrence.

Q Okay. Well, let me just ask you one more time then, and just give me in your own definition of what you mean when you refer to a mini-RIG or a RIG-lette, as mentioned once in your notes.

A What I'm referring to are meetings where Mr. Abrams, Mr. Walker, [redacted] Mr. North, sometimes Mr. Burghardt, and myself were present.

Q Of that particular grouping, approximately how many times did it meet during the entire time you've been at the Department of State?

A Well--

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Q If you can't give me a number, give me so many times a month, an average.

A I would say twice a month, on average.

Q And that's different from what's currently--there's currently a smaller grouping called the IG/N--

A It's not smaller.

Q How big is the IG/N?

A About 16 people. You've got the Office of the Legal Adviser represented--

[Laughter.]

MR. SMILJANICH: That's really all I have.

EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

BY MR. TRAYLOR:

Q I just wanted to follow up on one point discussed earlier. Is it fair to say that you said that it was your impression that Oliver North was involved in military resupply of the contras?

A No.

Q That's not fair?

A No.

Q What was your impression? I must have misunderstood you.

A You'd have to ask me--tell me what the

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question was, again.

Q We were talking about Oliver North, and Mr. Smiljanich asked you if you had any knowledge that he was involved in resupply of the contras.

MR. SMILJANICH: My recollection is then I asked you about fund-raising, and it was about fund-raising that you said you had had some perception.

THE WITNESS: That's right, but not having anything to do with resupply.

BY ~~MR.~~ TRAYLOR: Resuming

Q Do you have any knowledge, or did you have the impression that Oliver North was involved?

A No, I didn't.

EXAMINATION ON BEHALF OF SENATE SELECT COMMITTEE--Resumed

BY MR. SMILJANICH: (Resuming)

Q Did you know a man by the name of Robert Owen?

A I met him, yes.

Q How many times?

A Twice.

Q In what connection?

A I met him at a party, and we later had lunch. I guess it was three times, because then I think he came to my office once.

Q When was this?

A This is again in September '86, thereabouts.

Q During the period from October of '85 until about May, June, or July of '86, he and his company, IDEA, had a contract with the Niacaraguan Humanitarian Assistance Office. Did you know him during that time frame?

A No.

Q Did you know who he was during that time frame?

A I don't think during that time frame I did. I had read at some point press accounts, or press allegations about Bob Owen, but I had never met him prior to September '86.

Q Did you ever ask Oliver North about Robert Owen?

A No.

Q Did you ever hear the names--let me just give you a series of names and ask you if you've ever heard of any of these names, prior to the eruption of the various controversies, going back to the '85 through let's say October of '86 time frame, if you're aware of any of these names ever come up in connection with the Nicaraguan Opposition.

General Secord?

A No.

Q Albert Hakim.

A No.

Q Rafael Quintero.

A No.

Q Tom Clines.

A No.

Q Ted Shackley.

A No.

Q Felix Rodriguez. Did you know who Felix Rodriguez was?

A No.

Q Sometimes he's referred to as Max Gomez. Did you ever hear the name Max Gomez during that time frame?

A No.

Q Did you ever have any dealings directly with [redacted]

A When I went on the orientation trip that I told you about in October of '86, I participated in a--I was briefed by the Country Team [redacted] [redacted] which--

Q Included?

A [redacted] was present. I'm not sure at the time I knew his name was Thomas Castillo.

Q Or vice versa.

[Laughter.]

Okay, let me go back to one other thing. I'm sorry. You just mentioned an orientation trip you took through Central America in late 1986.

A Right.

Q What other trips have you ever taken to Central America?

A I have made one trip, I believe in June or July, to the contra camps [redacted]

Q And who accompanied you on that trip?

A Mr. Abrams, Mr. Armitage from the Defense Department, [redacted] Mr. Burghardt, Mr. Walker, Mr. Sanchez, I believe General Moellering, and Danny Wattenberg, and I don't recall any of the others.

MR. SMILJANICH: That's all I have.

MR. TRAYLOR: I don't have any questions.

MR. SCHWEITZER: May I speak with Mr. Kagan one second?

MR. SMILJANICH: Sure.

[Pause.]

BY MR. SMILJANICH: (Resuming)

Q Okay, Mr. Kagan, after a brief recess

here we have--and after we reconvened, you just told me off the record about a time in September of 1986 in which a problem came up in connection with the local UNO offices, and your role in passing a message on to somebody else.

Would you just go ahead and repeat that for us on the record?

A Yes. In about August or September of '86, [redacted] the UNO Washington office, which is merely their representation here in the United States, informed me that they had a severe financial shortage, and essentially that they needed about $25,000. I raised this with various people in the Government, just alerting them to this problem, and I also raised it with Colonel North who then asked me to get ahold of the budget that the UNO-Washington Office had prepared for itself, and an account number. And I did so, and I passed that on to Colonel North, and my understanding is that at some time later they did receive $25,000.

Q And you don't know where the $25,000 came from that they actually received?

A No, I don't.

Q When you say you got an account number, do you mean the local banking account that the UNO office would maintain where funds could be deposited into?

A [redacted] it was--I believe it was [redacted] account.

Q But some type of banking account where the funds were to be deposited?

A Well, I have since been told by [redacted] [redacted] that it was actually his sister's account number.

Q [redacted] being [redacted] [redacted]

A That's right.

Q Were you ever aware of Oliver North's role in distributing money to various contra leaders that were short on cash, or needed funds for a particular purpose?

A No.

Q Were you aware that Colonel North had a source of funds in a safe in his office that he could distribute cash to the various contra leaders when they were visiting in Washington?

A No.

Q Did any contra leaders ever tell you they had received cash or traveler's checks from Oliver North to cover expenses?

A No.

Q Did he ever tell you he had done that?

A No.

MR. SMILJANICH: Okay, for the second time, that is all I have.

THE WITNESS: I won't come back.

MR. TRAYLOR: We won't come back. We really mean it this time.

[Laughter.]

MR. SMILJANICH: Okay. Thank you very much.

MR. SCHWEITZER: Terry, let me just ask you, do you think Bob will be called by your Committee?

MR. SMILJANICH: I don't think so, no.

MR. SCHWEITZER: Good.

MR. SMILJANICH: There are no promises, but I don't think so.

MR. SCHWEITZER: We will not waive signature of the deposition. We would like to see it and have Mr. Kagan review it, and I would make the request to Mr. Smiljanich that if a copy of the deposition is available pursuant to the Committee Rules for witnesses, we would request and pay for a copy of the deposition transcript.

MR. SMILJANICH: For the record, my understanding is that the Committee Rules prohibit the release of the transcripts to anybody, including the witness, but I will doublecheck into that. I have also stated to Mr. Schweitzer that if for any reason Mr. Kagan needs to review his testimony, I would certainly make arrangements for him to do so. And if he were ever to be called as a witness, certainly we would provide him the opportunity to review his transcript.

Thank you.

MR. SCHWEITZER: Thank you.

[Whereupon, at 4:08 p.m., the deposition in the above-entitled matter was adjourned.]

* * *

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SIGNATURE OF THE WITNESS

SUBSCRIBED AND SWORN to before me this

_________ day of ____________________, 1987.

____

Notary Public

My Commission Expires:___________________________

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CERTIFICATE OF REPORTER

I, JANE W. BEACH, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Jane W. Beach
NOTARY PUBLIC

My commission expires 11-14-91.

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DEPOSITION OF ROBERT WILLIAM KAGAN

- - -

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D.C.

Deposition of ROBERT WILLIAM KAGAN, a witness herein, called for examination by counsel for the Senate Select Committee, the witness being duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, at the offices of the Senate Select Committee, 901 Hart Senate Office Building, Washington, D.C., at 2:00 p.m. on Tuesday, June 16, 1987, and the proceedings being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

1Bq1

Partially Declassified/Released on ________
under provisions of E.O. 12356
by D. Sirko, National Security Council

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EXHIBITS

(None)

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PROCEEDINGS

Whereupon,

ROBERT WILLIAM KAGAN

was called as a witness herein and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. SMILJANICH:

Q. One more time for the record. State your name.

A. Robert Kagan.

Q. Mr. Kagan, we've had a previous deposition. The reason I asked you to come back is there's a few follow-up things I wanted to ask you about, including some references in some documents.

Let me start off by noting that these are not documents you created or documents that you would necessarily have seen, but they refer to you and I wanted to see if you could tell us what you think they refer to or what you know they might refer to.

First of all, are you familiar with what's called a PROF note?

A. I've read about it. I've heard about it. I wasn't familiar with it before.

Q. Well, there was a system at the NSC of communicating

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with each other by use of a system that was called a PROF. And there are notes that can be printed out of the various communications.

There is a PROF note, and so I can perhaps not get into CodeWord on this thing -- I'd like to keep this at Secret if I can. This is a PROF note dated October 30, 1986, that was --

A. October 30?

Q. October 30, 1986, sent at about 10:00 a.m. And it's a note from Craig Coy to Oliver North, and let me just read it into the record. It says:

"Note from Craig P. Coy, subject: Help. Kagan called to say the transaction you were to arrange is desperately needed by the people who need the help."

That's the sum total of the message. Do you have any recollection of what that's referring to?

MR. SCHWEITZER: Do you mind if I take that and write that down, because you're not going to give me a copy?

THE WITNESS: Do you want me to wait while you write that down?

MR. SCHWEITZER: No, go ahead.

THE WITNESS: I presume it's in reference to what I discussed with you at the end of the last deposition I gave, which was the fact that I had brought to Colonel North's attention the fact that the Washington office of the resistance didn't have funds to stay open. This office is here to be a voice for the resistance. And he had advised me that he might be able to do something about that.

BY MR. SMILJANICH: (Resuming)

Q Now, you're talking about the Washington office of UNO in particular?

A Yes.

Q When was it that you first had this conversation with North prior to this reference in this note, in terms of dates or weeks?

A I would say September. It may have been late August, early September. I can't be sure.

Q What the people needed in the Washington office of UNO was funds to help them stay open?

A Yes.

Q Any particular amount of funds that they mentioned?

A Well, they had come up with a monthly budget of about $25,000 for office supplies and salaries.

Q Now, who at UNO talked to you about it or told you about their need?

A [redacted]

Q How do you spell the last name?

A [redacted]

Q And his position?

A He's [redacted]

Q So he said that they were in need of $25,000 a month?

A Well, yes.

Q Roughly?

A Yes.

Q And what did [redacted] think you could do for them?

A He was just letting me know. I don't know that he thought I could do anything for him.

Q In other words, he didn't come to you directly to request of you and see if you could come up with the funds?

A Well, I think he came for advice or he [redacted] and he just was explaining that he had a lot of things that he wanted to accomplish, but he didn't have any money.

Q Okay. Do you recall anyone else being present when he first talked about this to you?

A It's possible, but I don't remember.

Q So then you mentioned it in a conversation with Oliver North?

A Uh-hmm.

Q How soon after your conversation with [redacted]?

A I don't know.

Q Days, weeks, hours?

A Maybe weeks, not many weeks, I wouldn't say.

Q Do you have any kind of record that you could refer to that would pinpoint when it was you would have had this talk with North? Do you have any kind of office calendar that would refer to it?

A. No.

Q. Any kind of notes you kept?

A. Well, you've seen my notes. There are references in there, but it wouldn't reference when the first conversation took place.

Q. When you talked to Oliver North about this, was this a conversation with him specifically directed to this request by [redacted], or did it come up in connection with something else?

A. I don't recall the actual meeting.

Q. Okay. Why did you mention it to Oliver North?

A. Well, I mentioned the problem to a lot of people.

Q. Who else did you mention it to?

A. Well, there was a working group at the White House it was actually NSC, chaired by Walt Raymond, at which I just noted the fact that these guys were -- a lot of things were being expected of them and they were really short of funds. And Colonel North may have been present at one of those.

Q. I'm trying to place that. What do you mean, a working group chaired by Walt Raymond? What working group is that?

A. That was the public diplomacy working group on Central America.

Q. Consisting of who?

A. Walt Raymond, sometimes Ray Burkhardt, but I don't know how often, and sometimes Colonel North, much less frequently; people from USIA, me from State and maybe somebody else from State, somebody from DOD.

Q. Who, do you know?

A. Maybe Kay Stevenson.

So I brought it up in that context, too.

Q. What was the life of that working group? I mean, when did it start? Is it still in existence?

A. Not really, because Walt Raymond has moved from the NSC to USIA. I mean, there were similar things set up, but that was there before I arrived, so I don't know how long ago it was set up.

Q. How often did it meet?

A. About once a week or once every two weeks.

Q. What was on its agenda? I mean, what was it supposed to do?

A. It was basically keeping track of what was being done by my office and the public affairs office in the Defense Department and what the White House was doing in terms of, you know, the general public diplomacy effort.

Q. Now, this is not the same thing as what's also referred to as the Fortier group?

A. No.

Q. Was this geared toward attempts to do what you could to get the contra programs through Congress?

A. It was a little bit more. It was really more general. It was really to do what we could to get the facts on the Central American situation out to the public at large and overseas.

Q. So you may have mentioned it or you did mention it to one of the meetings of this working group?

A. Yes.

Q. Who else did you discuss the plight of [redacted] with?

A. I mentioned it to Mr. Abrams.

Q. Did he say there was anything he thought could be done?

A. No.

Q. Anyone else?

A. It's possible. I just don't remember anyone else.

Q. You say North may have been present when you brought it up at the working group meeting chaired by Walt Raymond. Do you also recall separately a meeting with Oliver North in which this subject came up?

A. I believe there was a separate conversation. I don't recall it specifically, and I don't remember if it was over the phone or face to face.

Q. And Oliver North said he thought he might be able to help?

A Yes.

Q Is that all he said? I mean, did he elaborate on what he meant by that?

A Well, he told me to get a budget from [redacted] and an account number.

Q You mean a contra account number in Washington?

A Well, he didn't specify. He just said some account number.

Q Anything else he said?

A No.

Q Did he say where he thought he might be able to come up with the necessary funds?

A No.

Q And you didn't ask him?

A No.

Q Did you have any assumptions as to where North might be able to get a hold of the funds that would be necessary to keep the UNO office going?

A Well, my sense was that he knew of people who had a lot of money. But I don't know. You know, I didn't have any evidence of that, but I just felt that way.

Q I understand that you didn't have any evidence of that. Where did you get that feeling from?

A You asked me this the last time and I've been thinking hard about what led me to that impression, and I've really honestly not been able to come up with anything in particular.

Q. Did you have a sense as to what kind of people it was that he had access to?

A. I didn't have a sense. I mean, when you say did you have a sense, that means did I obtain it. I mean, in my mind I thought that he knew rich American private citizens.

Q. Did you have any sense that North had previously raised money for other purposes?

A. No.

Q. Well, you must have had some belief that this wasn't a first time event for him?

A. Yes.

Q. What did you believe had occurred in the past? I understand you didn't have any direct information or evidence of it.

A. I know what you're and why you're asking it, and I just didn't -- I can't explain why. I had this sense. And you can ask questions, which, well, did you do this and did you ever see this or did you ever see that, and you can go through that and I can give you answers to that.

But I really just don't know why I particularly had that impression.

Q. Did you ever have any information, be it third-hand, rumor, whatever, that Oliver North had access to a supply of funds that he was paying ~~out to various~~ contra leaders?

A. No.

Q. You have probably read or heard the testimony of some people that he kept traveler's checks in his safe.

A. Yes.

Q. Over $100,000 worth, that were used to make payments to various [redacted] leaders or other contra leaders. You had absolutely no information on that one way or the other?

A. Absolutely not.

Q. No clue of that?

A. No.

Q. No one ever hinted to you that Oliver North had this kind of access to money directly from his office?

A. No.

Q. So that's not part of the general sense you had of North's access, possible access to money?

A. Right.

Q. In January, late January of 1986, the Channell-Miller people put together a function that I believe Elliott Abrams spoke at, and I think it was the January one which included a visit to the Roosevelt Room and I think maybe a drop-by by the President.

There is two events. There is one in January and there is one in March. I tend to get the two mixed up.

Were you involved in any way in the preparation for or attendance at either or both of those two events?

A. No. I think the last time you asked me whether I knew about those events, and I didn't recall them.

Q. Okay. There are some indications -- and I don't have those with me -- that when Elliott Abrams first met with Richard Miller to discuss his assistance in connection with these events, which weren't fund-raisers as I understood it, but basically thank-you's for past assistance and also an encouragement to support the Administration policy in Central America, that you may have been involved in some of those early, like a luncheon meeting in early January with Miller and with Elliott Abrams.

Do you have any recollection of that?

A. No, and I don't believe I've found anything like that on my calendar.

Q. Also, I remember specifically there's a phone message in the documents produced by Richard Miller in November of '96 which refer to Elliott Abrams being available for a meeting, and it states: "Bob Kagan is also available."

Do you have any recollection of any discussions about possibly meeting with these people in November of 1986?

A. I don't have that recollection, no.

Q. Going back to January of 1986, what did you know of what was going on there? You say you didn't have any particular involvement or role in it. Did you know that there was -- I mean, this was Elliott Abrams who was involved in making a speech to some people.

Did you know that that was happening?

MR. SCHWEITZER: Excuse me, Terry. I don't understand your question. Could you restate that for me, please?

BY MR. SMILJANICH: (Resuming)

Q In January 1986 there was a function put together by Spitz Channell and Richard Miller which involved, as I recall it, in January a speech by Elliott Abrams, a thank-you by the President. You say you weren't involved in either the preparation for or participation in that particular event, is that correct?

A I don't recall any participation.

Q Did you know at the time that that was going on?

A I don't remember whether I did or I didn't. I was fairly new on the job at that point.

Q Now, your immediate prior experience had a lot to do with preparing speeches for Elliott Abrams, is that correct?

A No, I never prepared speeches for him. I prepared speeches for the Secretary of State.

Q You were then Elliott Abrams' special assistant for a while?

A Starting in November, and was still in January.

Q November '85, January '86?

A Yes.

Q As special assistant, did you have any involvement

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in speech-writing for him?

A. I had actually made an agreement with him that I would write very few speeches for him, and I don't think I had written one by then.

Q. By "then" you mean by January, late January of '86?

A. Yes.

Q. In March of 1986, there was a further event of some kind put together in which I believe Elliott Abrams gave a speech at. Were you involved at all in that activity?

A. An event that Abrams gave a speech at? Could you be more specific.

Q. All I can tell you is it was specifically with regard to Spitz Channell and Richard Miller. NEPL, National Endowment for the Preservation of Liberty, I think it's called.

A. I don't recall that.

Q. You don't recall that?

A. No. I don't remember writing a speech. First of all, I don't think Elliott gave prepared texts when he would sort of go -- when all he had to do was go and tell people that the policy was important and that kind of thing.

The only speeches that I wrote for him were in a policy forum, like the Council on Foreign Relations or World Affairs Council or something like that.

Q. So whatever sense you had of Oliver North's ability to get in touch with people that had access to money, none of it had to do with anything that took place in January or March in connection with Spitz Channell and Richard Miller?

A No.

Q Okay. What happened after you mentioned it to North?

A Well, as I said, he said that I should get a hold of an account number from [redacted] and a budget. I brought those to him and he said -- well, I don't recall what he said, but my impression was he would try to do something.

Q You say you brought him back a budget and an account number?

A Uh-hmm.

Q Was this a written budget that had been prepared by [redacted]

A Yes.

Q Showing the need for approximately $25,000 a month?

A Right.

Q And do you recall anything about the account number, what bank it was in?

A No.

Q Do you recall whether it was a local bank, a Miami bank, a foreign bank?

A I believe it was [redacted] account.

Q And your understanding was it was an UNO account?

A No. I spoke to [redacted] some time in the spring. He

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told me it was his sister's account or something. It was actually not an UNO account.

Q Spring of this year, you mean you talked to him about it?

A. Yes.

Q. When you gave this to NOrth, did you personally hand it to him yourself?

A. Yes.

Q In his office?

A. Yes.

Q Did he say anything further or add anything as to how he was going to go about trying to get a hold of this money?

A. No.

Q Okay. What's the next event you can recall concerning this need for money by [redacted]?

A Well, time was passing and he would periodically, I mean maybe once every week or two, inform me that he hadn't been able -- he didn't have any money.

Q North told you this?

A No, no, [redacted]. I'm sorry.

And then at some point he informed me that he had received some money.

Q Okay. Do you recall calling and talking to Craig Coy about this?

A. Yes.

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Q. Had you talked to anybody else at the NSC besides North and Coy about this matter?

A. I believe I also may have spoken to Fawn Hall about it.

Q. About that same time?

A. Yes.

Q. You mean calling up to ask about what the status was?

A. Yes.

Q. When you talked to Craig Coy about it, did he know what you were talking about?

A. I didn't get a sense from him whether he did or didn't.

Q. You didn't explain it to him? You didn't say, look, North told me, North said he would get some money for so and so to help him with their Washington office, and we haven't heard?

A. I may have described it a little. I don't know how much detail I described it in, but I may have described it a little bit.

Q. Let me ask it this way. Was there a feeling that you had to talk cryptically about this subject?

A. No.

Q. In other words, you didn't feel like, if you were talking to Craig Coy, you had to say, for example, well, there

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was something he was going to help us with, some type of transaction? I mean, you didn't have to talk in those terms, did you?

A. I assumed that Craig Coy knew what this was about.

Q. When you talked to Fawn Hall, did she seem to know what you were talking about?

A. Yes, I think so.

Q. Okay. I'm going to show you a document here and I'll explain first of all what it is. Both Craig Coy and Robert Earl -- you know Robert Earl?

A. Uh-hmm.

Q. Both Craig Coy and Robert Earl were on a 24 hour watch at the NSC starting October 31st, 1986, having to do with the impending release of a hostage. And they were at the NSC around the clock, you know, manning the phones and keeping up with it.

And they kept a running chronology of events that were occurring.

A. I'm sorry, what time period is this?

Q. October 31st, 1986.

And on one of the pages of their chronology, and it's October 31, 1986, at 1605 --

A. 4:00 o'clock.

Q. 4:05, okay, there is the following note, which is in Robert Earl's handwriting.

(Document shown to witness.)

Q Now, if we can assume that it's correct that the first thing I showed you is from Craig Coy on the 30th of October and then the next thing I showed you is the next day from Robert Earl, it would appear that there were back to back two telephone conversations, two days in a row.

Do you recall that occurring?

A No.

Q Do you recall, was there any sense of desperation by [redacted]s time went by, that they absolutely needed this money?

A Well, I mean, he needed the money for a long time and he didn't have the money for a long time. So it was definitely a problem. I don't know if it was desperation.

Q Well, you had said it was about once a week, once every other week, you would check with him and he would say, no, the money hadn't come yet.

A Or he would volunteer to me.

Q But do you recall there ever being a time when it looked like it was more than just once a week or once every other week, that there was an actual desperate need for it as immediately? Do you recall anything like that?

A Well, I mean [redacted] as time went on became more and more concerned. I would say that.

Q But you don't recall that right around the very end of October that this was coming to some kind of a head?

A. I don't know that you could ever say it was coming to a head. It was an ongoing problem. The longer it was ongoing, the more of a problem it was.

Q. What's the end of the story? What happens with these various calls to or from [redacted] and this need for money? Whatever happened?

A. What happened is that I understand that he received some money.

Q. Do you recall when?

A. I don't specifically.

Q. How did you find out?

A. He told me, [redacted] told me.

Q. Did he say how much he got?

A. I don't recall.

Q. Did he say where he got it from?

A. No.

Q. Did he say it was from North?

A. No.

Q. You didn't ask him?

A. No.

Q. Did you ever talk to North about the fact that [redacted] had gotten the money?

A. My sense is that I must have discussed it with him at some point. I don't have a specific recollection of the conversation.

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Q. Okay. Let me approach it this way. November 25th, North was -- North's relationship with the NSC was terminated. Do you recall the last conversation you had with North before he was terminated?

A. No.

Q. Did you have any discussions with North right around that famous three, four, five days when everything was coming to a head, around November 25?

A. I don't recall any.

Q. Certainly the day the contra diversion was revealed by the President and the Attorney General and it was announced that Poindexter had resigned and North had been terminated, I mean, that was obviously a pretty significant event that you can probably remember learning that news, right?

A. Uh-hmm.

Q. Do you recall at that time thinking back as to when the last meeting or conversation you had had with North was?

A. No.

Q. Had it been within the last few days?

A. I just don't recall.

Q. Did you talk with North after that day or during that day?

A. No.

Q. So you have not talked to Oliver North since whenever it was you talked to him before the contra diversion

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revelations?

A. No.

(Pause.)

MR. SMILJANICH: That's all I have.

MR. SCHWEITZER: I have no questions.

THE WITNESS: I have no questions.

MR. TRAYLOR: And I have no questions.

(Whereupon, at 2:32 p.m., the taking of the instant deposition ceased.)

____

Signature of the witness

SIGNED AND SWORN TO before me this ________________________

day of _______________________, 198 ___.

____

Notary Public

My Commission expires:

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CERTIFICATE OF REPORTER

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

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My Commission expires February 28, 1990

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DEPOSITION OF ROBERT W. KAG~~E~~AN

Friday, September 4, 1987

House of Representatives,
Select Committee on Investigate
Covert Arms Transactions with Iran,
Washington, D.C.

The select committee met, pursuant to call, at 9:00 a.m., in Room 2203, Rayburn House Office Building, Thomas Fryman [Staff Counsel to the House Select Committee] presiding.

Present: On behalf of the House Select Committee: Thomas Fryman, Staff Counsel; Kenneth R. Buck, Assistant Minority Counsel; ~~and~~ Spencer Oliver, Associate Counsel; and Burt Hammond, Associate Staff.

On behalf of the Senate Select Committee: Henry J. Flynn ~~and Burt Hammond,~~ Investigator~~s~~.

On behalf of the Witness: William H. Schweitzer, Baker & Hostetler, Attorneys-at-Law.

Also Present: Charles Malin, Notary.

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MR. FRYMAN: Will you go ahead and swear the witness?

Whereupon,

ROBERT W. KAG~~E~~AN

was called for as a witness and, after having been duly sworn, was examined and testified as follows:

THE WITNESS: Yes.

MR. FRYMAN: Off the record now.

[Discussion off the record.]

MR. FRYMAN: Okay. The witness--this is off the record.

[Discussion off the record.]

MR. FRYMAN: On the record. Go ahead.

MR. SCHWEITZER: Mr. Kagen is appearing here voluntarily today, as he has done twice before with the Senate Select Committee and with the Special Prosecutor. He is not under any subpoena or any requirement to be here. We are being as cooperative as we can. Spent a good deal of Mr. Kagen's time answering questions for both the United States Senate investigators and lawyers, and for the Special Prosecutor, and we are willing to do that today, within reason.

I would request that since we have got four people here, that just one person ask questions at a time, and he will respond truthfully, as he has done in the past.

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. MR. FRYMAN: Mr. Schweitzer, you are correct that Mr. Kagen has not been subpoenaed. I called you and requested that he agree to appear today, and you agreed that he would voluntarily appear without a subpoena.

. The way we will proceed today is that the initial questioning will be by Mr. Oliver. I may have some questions after that, and Mr. Buck or Mr. Flynn may have some questions following that.

. It will be our procedure to have one lawyer questioning at a time, and we will make every effort not to have any interruption of questioning by one attorney by another, so Mr. Oliver, if you will go ahead.

. MR. OLIVER: Thank you. Good morning, Mr. Kagen.

. MR. SCHWEITZER: Excuse me. I don't have your--what is your position with--

. MR. OLIVER: I am Associate Counsel to the Select Committee and Chief Counsel to the House Foreign Affairs Committee.

. MR. SCHWEITZER: Thank you.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

. BY MR. OLIVER:

. Q Mr. Kagen, we have discussed the IBC contract in the past. What I would like to do today is try to clarify some matters that have come up in the course of this investigation regarding that particular contract. I know you have been deposed twice before, and I read those depositions, but they did not deal extensively with that particular matter, and that is one of the things that we would like to have cleared up for the record before the final report of this committee is issued.

. So, I want to ask you a few questions about that. But first, let me ask you, when did you become associated with the Bureau of Inter-American Affairs or ARA?

. A In November of 1985, when I went to work as Special Assistant to Secretary Abrams.

. Q Why did you leave Secretary Shultz's Office to go work for Mr. Abrams?

. A I had been there for getting on towards two years. I had written about all the speeches I thought I had in me to write, and wanted to get into a more functional area, as opposed to speech-writing.

. Q How did you happen to be offered this job by Mr. Abrams?

. A Well, we knew each other through various connections of friends and mostly coming out of New York, Irving Kristol, ~~[illegible]~~ Norman Podhoretz, P-o-d-h-o-r-e-t-z. I have done a lot of writing for Commentary and worked with the Public Interest and Elliott Abrams is Norman Podhoretz's son-in-law, and we worked together on a couple of speeches for the President while I was still in the speech writer's office, and when he was going over to become Assistant Secretary, we discussed the possibility of my going over to work for him.

. Q When did you first meet Otto Reich?

. A Some time after I had gone to work in ARA. I couldn't say precisely.

. Q Would you say September or November of 1985?

. A Sometime after November. I can't be precise; might have been December or January. I am not sure.

. Q But the Office of Latin American Public Diplomacy worked closely with ARA even at that time, isn't that correct?

. A From where I was sitting as the Special Assistant, I didn't have much contact with the Office of Public Diplomacy, really.

. Q Who interfaced with the Office of Latin American Public Diplomacy in ARA?

. A I am not sure.

. Q Do you know whether anyone interfaced with the Office of Latin American Public Diplomacy?

. A I don't have a clear recollection of how the--how the mechanism worked. I wasn't really at the time that well informed about what the Office of Public Diplomacy did.

. Q When did you become aware of what the Office of--let's refer to it as LPD. When did you first become aware of what their role was as it related to ARA?

. A Well, when I was still Mr. Abrams' Special Assistant, I was going to some of the meetings that were held in Walt Raymond's office at the National Security Council, and I was there as Elliott's Special Assistant, and Otto Reich was there as the head of the Office of Public Diplomacy, so I was becoming familiar with their work through those meetings.

. MR. SCHWEITZER: Could we go off the record?

. MR. FRYMAN: Off the record.

. [Discussion off the record.]

. MR. OLIVER: Could we go back on the record?

. BY.MR. OLIVER:

. Q When did you first begin to attend these meetings in Walt Raymond's office?

. A I am not exactly sure. I would say maybe December or January.

. Q Of 1985?

. A January of '86.

. Q January of '86.

. This was a regular weekly meeting dealing with Central American public diplomacy.

. A I am not sure it was weekly. I think it was more like every two weeks, and it was Latin American in general, but most of the time was devoted to Central America.

. Q Who chaired these meetings?

. A I believe that technically Otto Reich chaired them, but they were held in Mr. Raymond's office.

. Q Who else attended the meetings?

. A Um--either Ray Burkhart and in that period occasionally, but not directly, Colonel North, one or two members of the CIA--what is her name--Kay Stevenson from Department of Defense, a couple of people from USIA--what is his name, John Scaife. That was generally it.

. Q Did Jonathan Miller also attend those meetings?

. A No.

. Q Did John Blaken attend those meetings?

. A He might have been there on occasion.

. Q When did you first meet Jonathan Miller?

. A It was--I would say it was probably closer to the summer of '86 before I actually met Jonathan Miller.

. Q Did you know who he was in early 1986?

. A I don't know exactly when I knew who Jonathan Miller was, but at some point, I did become aware that he had worked at the Office of Public Diplomacy and was working at the White House.

. Q What was he doing at the White House?

. A You are asking me now what I know about what he was doing, or then what I knew--

. Q Then.

. A I could never quite figure out what he was doing.

. Q So, you didn't really interact with him in 1986?

. A No.

. Q But you did with John Blaken?

. A Well, he was at the Office of Public Diplomacy when I was there.

. Q And he attended these meetings that Otto Reich chaired?

. A I don't have a clear recollection of any meeting he was at, but my perception is he was probably at those meetings if Ambassador Reich wasn't available, or even with Ambassador Reich.

. Q So; what did you talk about during those meetings?

. A We talked about--mostly it was--public diplomacy in the broad sense. There was a lot of discussion about things that USIA was putting out for Europe and Latin American distribution, publications that the Office of Public Diplomacy was working on, and I was--when I was Special Assistant, I didn't participate that much.

. I was mostly there observing and--but occasionally, you know, I would just maybe let people know where things were on the policy side, what the diplomatic situation was in Central America, things like that.

. Q Were you also participating in the rig meetings at that time?

. A Yes.

. Q Was anybody else you said was in the Walt Raymond meetings also participating in the rig meetings?

. A No.

. Q Would it be fair to say that this public diplomacy group took its policy direction from the rig?

. A I wouldn't say that there was--that that was clearly the case at all. While I was there, I wasn't giving direction to anybody. People asked me what my perception of what was going on in Central America was based on, I suppose, what I knew from--being--knowing what Assistant Secretary Abrams was doing, and what I would offer--you know, what I have gleaned from the rig.

. But it was not a question of direction.

. Q Did you report on what consensus had been reached in the rig from time to time to this group?

. A Not that I can recall.

. Q Well, what was--other than just a bull session, what was the purpose of this meeting? It seems to me there is a lot of overlap between the people in this meeting and the people you interacted with in a lot of other levels.

. A I don't--I don't know what the purpose of the meeting was. I know that Walt Raymond took a lot of notes of things that people said they were going to do, you know, if somebody said contact this group and this political--you know, like the Liberal International in Europe, and let them know that this pamphlet is available, and something like that. These acts would sort of be noted, and I presume they were carried out, but it always seemed to me that the group was really--they were a bunch of people doing things, and it was a matter of keeping everybody appri~~x~~sed of what was going on.

. It wasn't a policy-setting group.

. Q Was it a group that was primarily concerned with the Congressional vote, aid to the resistance?

. A No. I--my sense was--tended to lean in the direction of--there seemed to be a lot of focus on public diplomacy that the USIA did in terms of opinion in Europe and opinion in Latin America, and there was, I am sure, some discussion of issues pertaining to opinion in the United States, too.

. But since it was an ongoing effort, you couldn't say that it was particularly keyed to any one vote.

. Q But was that one of the main topics?

. A I wouldn't say that was one of the main topics.

. Q But that was one of the main topics at the rig?

. A Well, we were always in a--pretty much always in a pre-vote situation, and that was the policy, was to try to win Congressional aid for the resistance, and that was certainly an issue that came up quite a bit.

. Q But, it didn't come up as one of the main topics in the other meeting?

. A It certainly did come up. I wouldn't say it was the single most frequently discussed topic at the diplomacy meeting.

. Q Did you at those meetings discuss who was doing what to try to influence the Congressional vote at either the rig or that meeting?

. A We were having a lot of discussions--are we still in the period when I am Special Assistant?

. Q We are in the period when you started attending both the rig and the ~~rig~~ regular meetings in Walt Raymond's office.

. A I am sorry, could you repeat the question?

. Q Well, did you discuss who was doing what or what was being done to influence the Congressional vote on aid to the Nicaraguan resistance?

. MR. SCHWEITZER: Which meeting?

. MR. OLIVER: At both meetings.

. THE WITNESS: I am sure that that was discussed, although I don't think it was discussed that much at the public diplomacy meeting.

. BY MR. OLIVER:

. Q Was--when it was discussed at the rig meeting, what did--what did they talk about in terms of what was going on in relation to the vote?

. A That is--you know, I could answer that question in four hours, but because we had a lot of--you know, there was several votes, and we were constantly in a pre-vote period, but I am sure that we, you know, analyzed where the votes were and what the issues that were of concern to the members who might be swing members or people who were potentially--could be persuaded to vote for the aid.

. There was a variety of issues that different members were interested in, and there was discussion on how to try to win their votes.

. Q Did you ever hear the name Dan Kuykendall discussed in those meetings?

. MR. SCHWEITZER: Either one?

. MR. OLIVER: Either one. When I refer to those meetings, I am talking about both meetings, because I think they took place almost contemporaneously, once or twice a week, or every--

. THE WITNESS: But they were not essentially the same meeting or that they were essentially covering the same topics, which is what we are going back and forth on for the last 15 minutes.

. BY MR. OLIVER:

. Q I am just trying to determine if Dan Kuykendall's name came up in either meeting?

. A I don't recall that.

. Q Do you know Dan Kuykendall?

. A I have met him.

. Q And how did you meet Dan Kuykendall, in what connection?

. A I once was at a meeting where I was introduced to him. It was held in the Office of Penn K~~i~~emble at PRODEMCA, P-R-O-D-E-M-C-A. That was the first time I met him, and I may have met him at another meeting.

. Q Was that meeting at PRODEMCA a strategy meeting on the Congressional vote o~~f~~n aid to the resistance?

. A There was discussion about--yeah, they were--those people were looking at what the Congressional situation was, yeah.

. Q Why were you there?

. A I was invited, and was basically asked to give my assessment of where the policy was for the most part.

. Q Was Rich Miller there?

. A He may have been there at that meeting, yeah. I don't recall definitely, but he may have been.

. Q How many meetings did you attend at PRODEMCA?

. A I don't know. Over this whole period, I would say maybe two or three.

. Q Who else was at these meetings?

. A Well, it was Penn K~~i~~emble--I can recall one meeting where Dan Kuykendall was there. I think there were a couple of staffers from the Hill, but I can't remember exactly who they were. I can't say for sure. Maybe Bruce Cameron was at one of these meetings.

. I am not sure exactly.

. Q Who is Bruce Cameron?

. A Bruce Cameron is a--former Vietnam activist who became concerned with the Nicaraguan resistance cause, and--he has just been in and around the Nicaraguan resistance issue for the past couple of years.

. Q Was he lobbying on behalf of the resistance in terms of the Congressional vote for aid to the resistance?

. A That was never my perception.

. Q Were you in regular contact with Bruce Cameron?

. A Pretty regular, yeah.

. Q What was the basis of that contact?

. A It was usually discussing the internal situation of the resistance.

. Q Wasn't discussing the Congressional vote?

. A It was discussing--yeah, discussing the Congressional vote, but was usually seen through the lens of the internal organization of resistance.

. As you know, there was concern for reform within the resistance among some members, and these concerns were relayed, and Bruce had his own very strong feelings about ~~the issue~~ reform, as did I.

. Q Did you know that Bruce Cameron was being paid by Spitz Channell during this period of time?

. A I think at some point, I came to know that--well, I did not know it, but to believe that.

. Q Why?

. A I think that he told me at one time that he was being paid by Spitz Channell, but I didn't know exactly to do what.

. Q Are you familiar with the Center for Democracy in the Americas?

. A I think that was Bruce Cameron's organization.

. Q Did you know that Penn K~~i~~emble was also associated with that organization?

. A Well, his office was on the same floor as the PRODEMCA's office, but I didn't know what Penn K~~i~~emble's association was with that.

. Q Did you ever receive any correspondence from the Association of the Americas?

. A I don't recall anything, unless it was a flyer, but I don't recall anything.

. Q Do you know Rob Owen?

. A Yes.

. Q When did you first meet Rob Owen?

. A Some time in the late summer of '86.

. Q Did you know that Rob Owen had been the former head of what became the Center for Democracy in the Americas, that--when he was the head of it, was called the Institute for Democratic Education and Assistance?

. A I didn't know that.

. Q You did not know that he turned over his organization to Bruce Cameron and Penn Kemble?

. A I didn't know that.

. Q Did you know Frank Gomez?

. A I came to know Frank Gomez--yes, I did know him actually.

. Q When did you first meet him?

. A I think when I was working at USIA, when he was there as a TV person or--he had some relationship with the USIA. I had some contact with him.

. Q Did you work with him after you went to the Bureau of Inter-American Affairs?

. A Well, he was--in the IBC contract.

. Q And you worked with him during that period of time?

. A When I was in the Office of Public Diplomacy starting in April of '86.

. Q Prior to April of 1986, when you sat in the rig meetings and you sat in meetings of public diplomacy in Walt Raymond's office, were you aware of the activities of Rich Miller and Frank Gomez on behalf of LPD?

. A No, not that I can recall.

. Q IBC's assistance to LPD was never discussed in these meetings, particularly the Walt Raymond meeting?

. A No, no.

. Q The materials that they were generating were never discussed as part of the public diplomacy activities of LPD?

. A I recall no such discussion.

. Q When did you learn that Rich Miller and Frank Gomez were contractors to LPD?

. A I ~~can~~ can't really recall learning that prior to the time that I was named as the head of the Office of Public Diplomacy, and was informed that one of the items on my plate was a pending--was this contract.

. Q You did not know prior to that of their contractual relationship?

. A I don't think that I did.

. Q When this contract came on your plate--what shape was it in?

. A What--could you be more specific?

. Q You said when you took over this office, this contract was on your plate. Would you elaborate on that answer?

. A Yeah. The contract had yet to be actually signed. I understood there were pending security clearances that needed to be pushed forward, but that IBC had already been doing work for the office by the time I got there.

. Q Who briefed you on the contract when you took over this responsibility?

. A Well, I discussed it not at very great length with Ambassador Reich before he left for Venezuela. I am sure I discussed the matter with Tom Calhoun, who was--I don't know exactly what his title was--you probably know what his title was, Executive Assistant or--no, he was the Admin Officer, the Administration Officer at the time.

. Q Did you realize at that time that Rich Miller was the same Rich Miller sitting in the strategy meetings at PRODEMCA on the--

. A I don't recall whether I realized it or not. It is entirely likely I realized it.

. Q So, you know at that point that Rich Miller was involved at that time in the effort to win the vote on resistance to the--or for aid to the resistance?

. MR. SCHWEITZER: At what time you referring to, Mr. Oliver, that he knew that?

. MR. OLIVER: Well, he knew that when he saw him at the meeting at PRODEMCA.

. MR. SCHWEITZER: I don't understand your question.

. MR. OLIVER: My question is, at the time he took over responsibility for this contract, he knew that Rich Miller was involved in--in the effort to influence the Congressional vote on aid to the contras, because the meeting at PRODEMCA had taken place several months prior to that.

. MR. SCHWEITZER: What is your question?

. MR. OLIVER: My question is, did you know at the time that this contract came under your area of responsibility, that it was the same Rich Miller who you had met during the strategy session?

. THE WITNESS: Yes, I already said that, but your next question is--I would have to say that just because Rich Miller was at a meeting doesn't necessarily imply the sweeping statement that you made.

. BY MR. OLIVER:

. Q You had met him at a meeting that was primarily for the purpose of--of dealing with legislative strategy?

. A Yeah, but I didn't know who at that meeting was actually dealing with it. I mean--

. Q How many people were at the meeting?

. A I don't know. Six or seven.

. MR. SCHWEITZER: Excuse me.

. [Discussion off the record.]

. BY MR. OLIVER:

. Q There were six or seven people there. One was Dan Kuykendall and one was Rich Miller and Sonny ~~[illegible]~~ K~~i~~Emble, yourself--couple of staff guys from the Hill, whose names you can't remember. That is six. Is it your testimony you didn't understand what Rich Miller was doing at that meeting?

. A I didn't know what he planned to do after he left that meeting.

. Q Was the discussion of that meeting primarily legislative strategy for aid to the Nicaraguan resistance?

. A Yeah. I mean--you can characterize it that way.

. Q Bruce Cameron was there also?

. A I don't recall whether or not he was definitely there.

. Q These were all private organizations, all private individuals who were at this meeting with the exception of you; is that correct?

. A Except the Hill staffers that were there.

. Q But in terms of the Executive Branch of the Government, you were the only participant?

. A Yeah.

. Q When you took over the job of Coordinator of Latin American Public Diplomacy, did you begin to chair the meeting at the White House that Otto Reich had chaired previously?

. A I took over ~~for~~ his role.

. Q You took over as the chairman of that meeting?

. A I guess so, although I never considered myself the chairman of the meeting, but technically that is the way it worked.

. Q Did you set the agenda for the meeting?

. A Yeah, our office set the agenda for the meeting.

. Q At that time, did you discuss legislative strategy?

. A As I say--yeah, the issue of legislative strategy must have come up.

. Q That would have been May of 1986, is that right?

. A Yeah, April-May.

. Q Vote occurred in June--important vote on aid to the Nicaraguan resistance. So you--

. MR. SCHWEITZER: Excuse me. Is that a question?

. MR. OLIVER: Yes; isn't that correct?

. THE WITNESS: Yes.

. BY MR. OLIVER:

. Q So, that was one of the primary focuses of your office at that time when you took over this job; is that correct?

. A The office was continually, throughout the time that I was there, putting out information on issues pertaining to Central America and Latin America, and we did that then and we have done it every month since then.

. Q Did you ever sit in a meeting where they counted votes and talked about Members of Congress who were targeted?

. A In any meeting?

. Q Related to the Nicaraguan aid vote?

. A But I mean, in any meeting anywhere?

. Q Well, in meetings that related to your job. I am not talking about sitting around dinner with a bunch of friends. I mean in the White House or State Department or PRODEMCA or Rich Miller's office.

. A Certainly, there were meetings within the Administration that were counting votes.

. Q Did you ever attend a meeting at Rich Miller's office where votes were counted?

. A No, not that I recall.

. Q Did you ever attend any meetings at Rich Miller's office?

. A I went to a party at Rich Miller's office. I don't recall ever being at a meeting, per se. I mean, a party could be called a meeting, but that was after a vote.

. Q Were you aware that meetings were taking place at Rich Miller's office that had to do with legislative strategy?

. A No, I wasn't.

. Q Bruce Cameron never indicated to you that such meetings took place?

. A No.

. Q In the course of this regular contact you had with him when he was a lobbyist on this issue, he didn't discuss any of these strategy meetings with you?

. A Well, I--it is possible that he did. I just can't recall any.

MR. SCHWEITZER: You have answered the question. He has asked it three different ways. You have answered the question.

BY MR. OLIVER:

Q You indicated in 1986, there were some problems with security clearances for IBC. What were those problems? Could you discuss that with us a little bit?

A I can't be too specific, because I never quite understood exactly what they were, but they had to get--I gather a site clearance from some organization called DS, I think was Defense Department of some kind, and for reasons I never understood, it was never able to go ahead.

I believe it was a site clearance.

[Discussion off the record.]

MR. OLIVER: For the record, Mr. Kagen, the reporter is--does not have a security clearance, so if we--if I ask you any questions that would cause a divulgence of classified information, would you please indicate?

MR. SCHWEITZER: Neither do I, Mr. Oliver, so--I am damned if I know how you go about getting one, so I am in the same boat.

THE WITNESS: Okay.

MR. OLIVER: All right.

BY MR. OLIVER:

. Q Were you aware at the time that you took over this position in LPD that the Defense Investigative Service was having difficulty in contacting Mr. Miller and Mr. Gomez and getting the information that they needed to have in order to grant the security clearance?

. A I was aware that there was some problem getting the two sides together or--I mean, there was some problem in achieving closure on this issue. I didn't know exactly what the problem was.

. Q I would like to enter as Kagen Exhibit 1 this document, which is a letter from Leo Beaumont, Chief of the Facilities Division of the Defense Investigative Service.

. MR. SCHWEITZER: Are you going to make it part of the record, Mr. Oliver?

. MR. OLIVER: Yes. I ask the reporter to make it as Exhibit 1.

. [Robert Kagen Exhibit No. 1 was marked for identification.]

. MR. SCHWEITZER: You don't happen to have a copy for me, do you?

. MR. OLIVER: Yes. Would you give a copy to the witness--or out of that packet, Burt? You can keep that copy.

. MR. FRYMAN: And look at it. This is off the record.

[Discussion off the record.]

MR. OLIVER: Back on the record.

BY MR. OLIVER:

Q That document which is dated June 3rd, 1986, appears to be--is a letter which indicates the difficulty that the Defense Investigative Service is having with Mr. Miller and Mr. Gomez. Did that letter come to your attention?

MR. SCHWEITZER: One second. Let me just object to your characterization of the letter, Mr. Oliver. You may be correct, but the letter is here and it speaks for itself. If you want to ask about any information concerning the letter--he hasn't signed it. You haven't even asked if he can identify it.

MR. OLIVER: I believe I asked him a moment ago whether he had seen that letter.

MR. SCHWEITZER: No, you haven't.

MR. OLIVER: All right.

BY MR. OLIVER:

Q Mr. Kagen, have you ever seen that letter?

A No.

Q Were you aware of the subject matter that was discussed in that letter?

A As I said, I was aware that there was difficulty in achieving--what was necessary to go ahead with the clearance, but I don't recall being specifically aware of what the specific problem was.

. Q You were the initial technical representative on that contract; is that correct?

. A Yeah, I became that at that point, yeah.

. Q At the point you took over the job of--the Director of LPD.

. A I gather that is probably technically correct, although I don't think I was named the COTR until I actually signed the contract, but probably that is technically correct, but if you want to check with the administrative people to find out whether or not that was true or not at that time--

. Q Well, did you become aware of the difficulties with the security clearance at that time?

. A At what time?

. Q When you took over the job?

. A Yes.

. Q Did you ask somebody what the difficulty was?

. A Yeah. I asked Tom Calhoun.

. Q And what did he tell you?

. A I don't remember specifically. I recall that meetings had not taken place that were supposed to have taken place, or documents hadn't been furnished that were supposed to be furnished, but I don't remember exactly what the reason was.

. Q Did you do anything about it?

. A Yeah. I called up Rich Miller and told him to do whatever was necessary to take care of the problem.

. Q And what did he say?

. A He said okay.

. MR. OLIVER: I would like to enter on the record--ask the reporter to make this as Kagen Exhibit No. 2, a memorandum from Mr. Robert Dixon to Mr. Robert Kagen and to Truman E. Brown, drafted on June 13, 1986 and containing the date of 6-17-86, which we believe to be the date in which the memorandum was forwarded. I ask the reporter to mark the Exhibit, and to show it--

. MR. SCHWEITZER: I will object to Mr. Oliver's characterization of the document, that he is going to enter the document into the record. It speaks for itself. I don't know that it was drafted on the date that he says it was drafted.

. MR. OLIVER: Counsel, I will when you examine the document, you will see the date of the drafting appears on it.

. MR. SCHWEITZER: I don't know that, Mr. Oliver. Unless you can get the person here who drafted it, to tell us that--

. MR. OLIVER: I am just trying to identify the document based on what is on the face of it. You may object, but we are simply trying to get the facts here. If you are going to object to the characterization of documents based on what is on the face of it, we are going to be here a long time.

. MR. SCHWEITZER: Mr. Oliver, I don't have any problem with you asking questions about documents, and indeed, we are here in order to give answers to questions specifically asked by you. I don't have any problem with your examining from documents, but I do have a problem with your characterization of the document that we haven't seen yet as to a certain date that it was drafted when the drafter of the document obviously isn't here.

. MR. FRYMAN: Well, let me just comment that it is the general practice in our depositions for the attorney conducting the deposition, when he offers an exhibit, to state a brief description of the document for the record or for the transcript of the deposition, a description such as a date and the recipient of the document, or the author of the document, and I believe that is all that Mr. Oliver was trying to do at that point.

RPTS CANTOR

DCMN MILTON

[10:00]

. MR. SCHWEITZER: I'm not trying to be contentious, Mr. Fryman, and I will go off the record. Maybe if we go off the record we can establish a policy so that we won't have ~~the~~ a policy (fuss) in the future.

. MR. OLIVER: Would you like to go off the record, counsel?

. MR. SCHWEITZER: Sure.

. MR. OLIVER: We will go off the record for just a moment.

. [Discussion off the record.]

. MR. OLIVER: Back on the record.

. The reporter has marked the exhibit.

. BY MR. OLIVER:

. Q Mr. Kag~~a~~en, I would like to have you examine that document and tell me whether you have ever seen it before.

. MR. SCHWEITZER: Have you read it?

. THE WITNESS: Yes.

. BY MR. OLIVER:

. Q Have you ever seen that document before?

. A I have.

. Q Was that document sent to you on or about June 17, 1986?

. A I recall seeing this document later. I don't recall seeing it at the time, but it's possible that I did see it at the time.

. Q But you were aware at some time in the early summer of 1986 of the problems that are discussed in this letter?

. A I was aware of the problems but I'm not sure that I saw this then, but that is okay. I was aware of the problems.

. Q Why would you have not seen it at that time?

. A It's possible that I did. I'm saying that I don't recall seeing it at the time. When I saw it later after a bunch of documents produced in the course of several investigations, I didn't recall having seen it at the time, but it's possible that I did. It's obviously addressed to me.

. Q Were you aware that the procurement division had indicated that in the absence of a contract, that no more services could continue to be performed by IBC?

. A I wasn't specifically aware of that, no.

. Q Did someone else in your office deal with the IBC contract besides you?

. A Well, at this time Tom Calhoun was dealing with it.

. Q Tom Calhoun was an assistant to you?

. A Yes.

. Q And he was responsible for the IBC contract?

. A No, he was the one I was turning to to make this process move forward.

. Q Was he aware, to your knowledge, of the memorandum indicating that no more services should be performed without a contract?

. A I don't know.

. Q What are the responsibilities of the COTR on a government contract?

. A I would like to have the regulations specifically in front of me. I'm not an expert on contracting or on what it means to be a COTR.

. MR. SCHWEITZER: What is a COTR?

. THE WITNESS: Technical representative of the contracting office, I believe is what that stands for.

. MR. OLIVER: Off the record.

. [Discussion off the record.]

. MR. OLIVER: Back on the record.

. BY MR. OLIVER:

. Q On this particular document, Exhibit 2, is it your recollection that you became aware of these problems in the summer of 1986?

. A Yes.

. Q Do you recall doing anything about resolving the problems that are described in this particular memorandum?

. A Yes.

. Q What did you do?

. A I called Rich Miller.

. Q And what did you say?

. A I said ''take care of whatever problems you are having with the DIS.''

. Q Did you tell him that they could not continue to perform services?

. A I didn't. I don't recall that I told him that.

. Q Were you aware that the contracting office had indicated that they should not be performing services without a contract?

. A If I may, this document doesn't even say that. This document says ''please move ahead and take care of this problem, because otherwise there will be a problem.''

. Q Let me, if I may, just read the last sentence in this document, which says: ''The procurement division cannot award a contract on this basis nor can the services continue to be performed in the absence of a contract.''

. A Right, but the thrust, if I may, the thrust of the rest of this is there are lines in here like ''should this effort fail, please make an effort,'' that this memo does not say as of now there should be services performed. It says ''please make an effort to take care of this problem, so that services can be performed.'' This is not a ''stop all services all of a sudden'' memo.

. MR. SCHWEITZER: You have answered the question. Let him ask questions to you, Bob. There is no question posed.

. BY MR. OLIVER:

. Q The bottom line says in the final paragraph, in the last half of the sentence, ''Nor can the services continue to be performed in the absence of a contract.''

. MR. SCHWEITZER: What is your question, Mr. Oliver?

. BY MR. OLIVER:

. Q My question is, as the COTR on this contract at this time, with the responsibilities for overseeing the work of the contractor, did you inform the contractor that he could not perform these services in the absence of a contract?

. A No.

. Q But you knew that he was not supposed to be performing these services in the absence of a contract?

. A I didn't know that at all.

. Q Despite the fact that that is what is in this memorandum?

. A We can go over this again. This memorandum says ''move ahead to get this thing taken care of, so that these people can go ahead with what they are supposed to be doing.''

. Q What did Rich Miller tell you he would do?

. A He told me he would take care of the problem?

. Q And then what happened?

. A And then I think within a matter of two weeks, the problem was taken care of and they got their DIS clearance or they had their meeting that was required. Again, there are documents on that, too.

. Q How was the problem taken care of?

. A I don't know.

. Q You had nothing to do with taking care of the problem?

. A I was trying to make sure that these two groups could get together so they could solve the problem, and they did.

. Q The Defense Investigative Service?

. A That's right.

. Q And Rich Miller and Frank Gomez?

. A That's right.

. Q And you brought them together, or indicated that they should get together. Is the answer yes?

. A What is the question?

. Q You facilitated bringing these people together or having them get together?

. A Yes.

. Q To resolve this?

. A Yes.

. Q This problem. Do you know a Mr. Robert Dixon?

. A No.

. Q Did you ever--

. A Is he in the administrative office of the State Department?

. Q Yes.

. A Okay, I do know him I think.

. Q Did you ever discuss the IBC contract with him?

. A No.

. Q Mr. Dixon I believe is the person who sent you that memorandum in June of 1986 that we have just been discussing.

. MR. SCHWEITZER: What is your question?

. BY MR. OLIVER:

. Q Is that correct?

. A His name is [redacted] the thing on the ''from'' line.

. Q And you never discussed the IBC contract with him?

. A No, I don't recall discussing it with him.

. Q Did you ever discuss it with Barbara Garland?

. A No. I have never met Barbara Garland.

. Q Who did you discuss it with in the Department of State besides Tom Calhoun?

. A Well, I discussed it with Elliott Abrams. I discussed it with Otto Reich when he was there, and at some point I discussed it with the legal advisers office as well.

. Q When did you discuss it with Elliott Abrams?

. A On several occasions I would say beginning in the early--well, soon after I arrived in the office.

. Q And what did you say to him and what did he say to you about this contract?

. A I said that we were in this situation where this contract was still pending. I didn't particularly like the contract, and wanted to consider not going ahead with it, but felt that the problem was that they had already been providing services and they had already basically been told that they ought to be providing services by the office before I got there, and so I felt that we were in a bind.

. Q How did you know they had been told to continue to provide service by the office before you got there?

. A Well, Rich Miller certainly told me that, and I believe that Tom Calhoun told me that, and it was in fact the case that they had been providing services up until that time. I didn't need to be told. It was obviously the case.

. Q And what did Elliott Abrams tell you to do about it?

. A He told me to make my best call.

. Q Which was what?

. A Which was ultimately, after discussing it with someone in legal advisers office, to just try to go ahead and finish up the contract and then end it.

. Q Who did you discuss this with in the legal advisers office?

. A Mary Ennis.

. Q This is June of 1986?

. A I don't know exactly when it was. It was sometime in the late spring, early summer, I would guess, May-June.

. Q You indicated to her that you wanted this to go forward?

. A No, I indicated to her that I wasn't sure I wanted it to go forward, but my feeling was that we were already into it, and that we might as well go forward, and she agreed with that.

. Q After that June of 1986 series of meetings and phone calls regarding this contract, did you as the COTR begin to watch more closely what the performance of the contractor was?

. A The performance of the contract under my supervision was pretty much solely distribution of documents, and I had many people working with them on distributing documents, and they were doing so.

. Q How many people did you have working with you?

. A Well, people down on the fifth floor office were working with them every day. I don't know, two, three, four.

. Q What was the number of documents that they were distributing?

. A I don't have a figure off the top of my head.

. Q Would it be several hundred?

. A No. It was more than that. In the thousands.

. Q More than 5000?

. A More than 5000.

. Q More than 10,000?

. A Maybe more than 10,000. We can go on like this, but you are getting into an area now where I would like to have--the figures are already available.

. Q It was my understanding, based on previous examination of documents or testimony, as I recall, that the mailing list was less than 3000 names that was compiled by IBC for LPD. That is why I'm asking you the question as to what your recollection is in terms of the number of documents that were distributed.

. MR. SCHWEITZER: Just one second. When you say from previous testimony that there was 3000, can you provide that to us?

. MR. OLIVER: I'm saying it's from my recollection, and I was trying to get a general number from the witness as to what his understanding was.

MR. SCHWEITZER: He has answered that. He said that it's about 10,000 and more than 5000, about 10,000.

. THE WITNESS: Let's take one example. There have been some 50,000 copies of a booklet called ''Challenge to Democracy'' distributed and I'm sure they distributed the bulk of those.

. BY MR. OLIVER:

. Q How were these documents distributed?

. A They were put in envelopes and mailed to various different people, sometimes an organization wanted a hundred and they would be provided to that organization. If there was a speech going on, sometimes a speaker would want to bring 50 or 100 with them. I mean there was a variety of ways, but mostly it was through the mail.

. Q Who paid for the printing of the documents?

. A Mostly the State Department; in some cases, the Defense Department also.

. Q Who paid the postage for mailing the documents?

. A The State Department.

. Q And who provided the envelopes?

. A State Department.

. Q What did IBC do?

. A They kept the mailing lists up to date, and stuffed envelopes and made sure that everything happened when it was supposed to happen.

. Q What did the people you had on the fifth floor working on the documents do?

. A Providing them with the documents and whatever other groups that we might want to send it to. I shouldn't go on too long on this, because I wasn't directly involved in the day-to-day activities. There were people working for me who were supervising that operation.

. Q Was that Mr. Calhoun?

. A No. It was one of the deputies, at some point it was Mr. Blacken. Later on it was Dan Fisk, Mr. Blacken.

. Q Mr. Blacken was working for you?

. A For a brief period.

. Q You inherited him from the Otto Reich regime?

. A Right.

. Q And he was your deputy?

. A Right, for a brief period.

. Q When you say a brief period, what do you mean?

. A Maybe a month or two months.

. Q Was he involved in the efforts to work out the security clearance with IBC and Defense Investigative Services?

. A I don't know.

. Q Was he the technical COTR provide~~r~~d to you on this contract?

. A I have since learned that that was the case. I didn't know at that time.

. Q If he was still there working with you and he was the COTR, why did you become the COTR?

. A I don't know. At some point he stopped working there and they had to name a new COTR. I'm just speculating.

. Q Are you familiar with the report of the Inspector General on the IBC contract?

. A Not in all its specifics. It's a 70-something-page report, but I have read it.

. Q Did your write comments on it?

. A Yes.

. Q That were included in the record?

. A I don't know. Were they? I don't remember.

. MR. SCHWEITZER: Is that the report?

. MR. OLIVER: Yes, it's the report. Can we go off the record for a minute?

. [Discussion off the record.]

. [Recess.]

. MR. OLIVER: I would like to ask the reporter to mark this document as Kag~~a~~en Exhibit No. 3.

. [The following document was marked as Kagan Deposition Exhibit 3 for identification:]

. MR. OLIVER: This is a report from the Office of Inspector General dated July, 1987, audit report No. 7PP-008, titled ''Special Inquiry into the Department's

Contracts with International Business Communications and its Principals.''

. BY MR. OLIVER:

. Q Mr. Kag~~a~~en, have you seen this report?

. A Yes.

. Q Do you agree with its findings?

. A It has got a long list of findings, and I'm in no position to agree or disagree since they did a full investigation, the circumstances of which I'm not privy to. If you want to ask a specific question about a specific finding, I might be able to answer it.

. Q Let's look at Roman I, page 1, the executive summary. The bottom of that page is a list of findings. It says, ''The need for purchase orders and contracts was justifiable in the beginning, but was questionable in the later period as LPD's in-house staff grew and gained experience.''

. Do you agree with that finding?

. A If I may, page 8, third full paragraph, ''When leadership of S-LPD changed in mid-1986, the new coordinator came to the same conclusion and decided to stop contracting with IBC at the end of the fiscal year 1986 contract and to perform the work in-house.''

. Q Mr. Kag~~a~~en, isn't it the case when you became coordinator in mid 1986, that the contract had not yet been signed?

. A That's right.

. Q Security clearance had not yet been granted?

. A That's right.

. Q The memorandum which we examined earlier indicated that work should not be performed without the contract, is that correct?

. A The memorandum said please move ahead with the security clearance so that work can be performed, continue to be performed.

. Q You could have stopped the contract at that point, is that correct?

. A I'm not sure that that is true. I don't know that.

. Q The contract had not yet been signed?

. MR. SCHWEITZER: What is your question, Mr. Oliver?

. BY MR. OLIVER:

. Q Is it true the contract had not yet been signed?

. A True.

. Q And the contract was not signed until September of 1986?

. A Correct.

. Q And you took over in May of 1986?

. A Correct.

. Q And you were the technical COTR for this contract during that period of time from May of 1986 until September of 1986, is that correct?

MR. SCHWEITZER: Let me object, Mr. Oliver. This is the first time in any of the testimony that we have been involved in where I'm getting the impression that this is not a fact-finding inquiry, but that you are arguing with the witness in order to attempt to get an answer that is satisfactory to you. He has answered that question about six times, and you have been over this territory about six times.

I think it is unfair for you to attempt to badger this witness. He is here to provide facts to this committee.. He is doing it voluntarily, and I think what you are attempting to do is to badger him and to get an answer that you want, and if it is not satisfactory to him, you ask the question again and again and again.

Now, I think that is not appropriate for this particular proceeding, and this isn't a public hearing. This is a deposition that you are taking in order to gather facts, and I will object to that and we will have to find whatever remedy we then have subsequent to that, but I'm going to object and I have the right, as you well know, to object and direct him not to answer a question if I think that's repetitive.

DCMN MILTON

. MR. OLIVER: Thank you, Counsel. Your objection is noted.

. I would just like to point out that I asked him a question about Roman numeral I on page 1. He referred me to page 8.

. MR. SCHWEITZER: Correct.

. MR. OLIVER: To a paragraph that said that the new coordinator came to the same conclusion and decided to stop contracting with IBC at the end of 1986 contract. I was just trying to determine for the record when he actually determined that they should stop contracting with IBC, and when he had the opportunity to do that, and I think the record shows that he had the opportunity to stop contracting with IBC earlier than the end of fiscal year 1986, and several months before the contract was signed, the contract for which he was the technical representative for the Department of State.

. MR. SCHWEITZER: Mr. Oliver, your testimony is not interesting, I presume, not to the committee ~~f~~or to Mr. Kag~~a~~En ~~f~~or me. You are welcome to make it on the record if you want to since you are paying for this transcript.

. Let me ask that question. Do we have a right to have a copy of the transcript to this deposition?

. MR. FRYMAN: Under the rules that have been given to you, Mr. Schweitzer, Mr. Kag~~a~~en has a right to review the transcript and correct the transcript. Witnesses do not have a right to keep a copy of the transcript.

. MR. SCHWEITZER: Similar to the Senate then. That was the situation in the Senate.

. MR. FRYMAN: The rules are as I described. The witness will have a right to review the transcript and correct it.

. MR. SCHWEITZER: Thank you very much, Mr. Fryman. What is the next question?

. MR. OLIVER: I would like to enter into the record at this point Kag~~a~~en Exhibit 4, and ask the reporter to mark this document as Exhibit 4 and to give it to the witness.

. [The following document was marked as Kag~~a~~en Deposition Exhibit 4 for identification:]

. BY MR. OLIVER:

. Q Mr. Kag~~a~~en, you asked earlier--

. MR. SCHWEITZER: Excuse me, Mr. Oliver. Would you let him read it, please?

. MR. OLIVER: Off the record.

. [Discussion off the record.]

. MR. OLIVER: Back on the record.

. BY MR. OLIVER:

. Q On the record, this is the Section G, entitled ''Contract Administration'' from the IBC contract which was performed during fiscal year 1986 by IBC for which Mr. Kag~~a~~en was the COTR for technical--

. MR. SCHWEITZER: Let me object to that. I don't see anything from this piece of paper that is in front of me that says that. It may, but what we have is one sheet of paper that says ''Section G, Contract Administration.'' It is part of the IBC contract. Maybe we ought to see the whole contract so that I can verify that that is where it is coming from.

. MR. OLIVER: Counsel, I will be glad to produce the whole contract for you. Mr. Kag~~a~~en had earlier asked for the COTR section and we produced that. I was simply trying to provide an economy of time in Xeroxing so that we didn't have to put the entire contract on the record, but at your insistence we will do so.

. Off the record.

. [Discussion off the record.]

. MR. OLIVER: Back on the record.

. MR. SCHWEITZER: Mr. Oliver has shown me a contract or a document that is entitled ''U.S. Department of State, Contracts Branch, Contract No. 1001-602066,'' and Kag~~a~~en Exhibit 4 appears to be a word-for-word copy of page G-I of the document I just referred to.

. BY MR. OLIVER:

. Q Mr. Kag~~a~~En, do you recognize this document?

. A Yes.

. Q Were you aware of what your responsibilities were as the COTR, which I believe you testified began in May or June of 1986?

. A I was generally aware, but I'm not sure I understand that I was COTR until I actually saw the contract which had me down as COTR or shortly before that, so it might not have been until August or September.

. Q Who was the COTR during the performance of the contract?

. A I don't know. I presume that I was after John Blacken.

. Q Did you eventually certify to the proper department or division at the Department of State that the work had been performed under the contract?

. A Yes.

. Q Did you during the period of performance of the contract between May and September of 1986 provide technical liaison with the contractor?

. A I was in contact with the contractor.

. Q Did you inspect their work?

. A Their work was taking place in the State Department, and people who were working for me were working with them.

. Q Were you carrying out the responsibilities for oversight of the contractor during that period of time?

. A Over all, yes.

. Q Did you certify in September-October of 1986 that all the work had been performed according to the contract?

. A Yes, I did.

. Q Did you discuss with John Blacken the work that had been performed on the contract prior to your becoming the COTR?

. A I don't particularly recall that I did.

. Q How do you know that the work was performed between October of 1985 and June of 1986?

. A Well, we had the documentation of what their expenditures were from them, and all the people who had been working with them. I didn't hear from anybody that the work hadn't been done.

. Q But you certified that the work had been done?

. A That's right.

. Q But nobody told you it had been done?

. A I had no reason--

. MR. SCHWEITZER: Objection. That is not what he said. He said that from October until June, he had records, that he examined. Mr. Oliver, you are not here to put words in his mouth. You are here to elicit facts from him.

. MR. OLIVER: Counsel, the witness said that nobody told him the work hadn't been done. My simple question was, did anybody tell him it had been done.

. MR. SCHWEITZER: And he answered that question.

. MR. OLIVER: And you objected for some reason.

. MR. SCHWEITZER: You have asked and answered that question. If you would like to ask him one more time that question, go ahead.

. BY MR. OLIVER:

. Q How did you determine, Mr. Kag~~a~~en, that the work had been done between September or October 1st of 1985 and June of 1985 when you assumed the responsibility--

. MR. SCHWEITZER: It has got to be June of '86.

. BY MR. OLIVER:

. Q June of '86, I'm sorry. How did you determine that the work had been performed in compliance with the contract during that period of time?

. A The overwhelming bulk of their work was distribution of documents at that time and under my supervision, when I was at the Office of Public Diplomacy. I had every reason to understand that those documents had indeed been delivered, that they had been performing those services, because the documents did go out.

. Q How did you know that the documents had gone out between October 1st, 1985, and June of 1986?

. A I didn't know. I assumed that they had.

. Q So on the basis of your assumption, you certified that the work had been done?

. A And on the basis of the documentation of what they had in terms of their own validation, their own documentation.

. Q On the basis of their documentation?

. A That's right.

. Q Provided by IBC to you at the conclusion of the contract?

. A That's right.

. Q Were you aware that the Inspector General's office had been asked in 1986 to evaluate the proposal for the IBC contract?

. A Which Inspector General's office?

. Q Inspector General, Department of State.

. A There are two Inspector Generals' offices, but I understand that the proposal was reviewed by whatever relevant body there was at the State Department to do that.

. Q When did you understand that?

. A I'm not sure. Sometime after I took over as office director, as coordinator.

. Q Did this evaluation of the proposal take place in order to determine whether or not the proposal should be accepted?

. A I don't know.

. Q Did you receive a copy of that Inspector General's audit in July of 1986?

. A Not that I recall. I may have. I don't recall it.

. Q Wouldn't it have been normal for you to receive a copy of that audit as the COTR on the contract?

. A I don't know what would have been normal.

. Q You were the head of LPD at that point?

. A That's right.

. Q The contract was through LDP with the Department of State, is that correct?

. A Right.

. Q And you signed the contract?

. A Right.

. Q You certified that the work had been performed?

. A Right.

. Q But you do not remember, is it your testimony that you do not remember seeing the audit report by the Inspector General in the summer of 1986?

. A No, that is not my testimony. I may well have seen it.

. MR. OLIVER: I would like to ask the reporter to mark as Kag~~a~~en Exhibit 5 a document, the Inspector General, which contains report of an audit entitled, ''Evaluation of Price Proposal, International Business Communications, July, 1986,'' State Department number is A-86-6. I ask the reporter to mark the document and to pass it to the witness.

. [The following document was marked as Kag~~a~~en Deposition Exhibit 5 for identification:]

. BY MR. OLIVER:

. Q Mr. Kag~~a~~en, have you seen this document before?

. A I don't recall actually ever seeing this document.

. Q Do you recall anyone telling you about the document?

. A No. It is possible that somebody did, but I don't recall.

. Q In reading this document, Mr. Kag~~a~~en, does it appear to you that this is an evaluation of a proposal for a contract?

. MR. SCHWEITZER: Your question is now, in reading the document before him. Have you had an opportunity to read the entire document?

. THE WITNESS: No.

. MR. SCHWEITZER: Can we take the time then to have him do it?

. THE WITNESS: The subject line explains what this piece of paper is.

. MR. SCHWEITZER: But you haven't reviewed the entire document. You haven't had a chance to do that. He has asked you whether it does.

MR. OLIVER: Could we go off the record for a minute.

[Discussion off the record.]

MR. OLIVER: Back on the record.

BY MR. OLIVER:

Q Have you had an opportunity to generally peruse this document, Mr. Kagan?

A I have generally perused this document.

MR. SCHWEITZER: Fifteen pages, if you believe the handwritten note at the bottom of the last page. I haven't counted the pages.

BY MR. OLIVER:

Q This document was issued in July of 1986 by the program Inspector General of the Department of State.

MR. SCHWEITZER: Objection. It's dated July 25, 1986. There has been no testimony at least today that it was issued on that date.

MR. OLIVER: If you look at the cover page on page 2, you will see ''Program Inspector General Report of Audit, July, 1986,'' Counsel.

MR. SCHWEITZER: Right, that is what it says. I agree with you. I don't know that it was issued.

MR. OLIVER: I think we can only take documents based on what is on the face of them. If you don't believe what is on the face of these documents, there is really not much I can do to satisfy you.

MR. SCHWEITZER: True, absolutely right.

MR. OLIVER: That is becoming obvious.

BY MR. OLIVER:

Q Mr. Kag~~a~~en, the reason I asked you questions about this document is that you were the technical representative for contracts with IBC during this period of time, and I'm surprised and cannot understand why you did not know about this report or did not receive this report at that time, but is it your testimony that you were not aware of this report in July of 1986?

MR. SCHWEITZER: Objection. He has answered that question already, Mr. Oliver, and your surprise is immaterial to this inquiry. This is a fact deposition as I keep trying to remind you, and I'm assuming that the committee members and the staff are not going to be concerned with your surprise in this. If you want to ask him a fact question, another one that hasn't already been asked and answered, that is why we are here.

BY MR. OLIVER:

Q Mr. Kag~~a~~en, I'm sorry, but I have sort of lost track of where we were. With interruptions, they sometimes interfere with the flow of my thought, and if I'm repeating a question, I'm sorry. I'm just trying to elicit the facts.

MR. SCHWEITZER: Thank you. I accept that.

BY MR. OLIVER:

Q Were you aware in July of 1986 of this report by the program Inspector General regarding IBC?

A I don't recall being aware of this report.

Q Did Rich Miller discuss this audit with you?

A Not that I recall.

Q Were you in regular contact with Rich Miller during the period of time from May of 1986 until September of 1986 that you were the technical representative for the performance of this contract?

A We probably spoke a couple of times a month.

Q Is it your testimony you do not recall him discussing this audit with you?

A That's right.

Q Did anyone else in your office to your knowledge receive a copy of this report in July of 1986?

A I don't know.

Q When did you first become aware of this Inspector General's report?

A I don't recall ever seeing this report before this time.

Q And this is the first time you were aware of this report?

A Yes. I mean this is the first time I have seen this report.

. MR. SCHWEITZER: You have answered his question. Just answer his question.

. BY MR. OLIVER:

. Q Prior to your certifying that the work had been performed on the contract with IBC for which you were the COTR, did you review the file on IBC's contract?

. A Well, my executive assistant, Colonel Ron Lester, went through a whole bunch of files prior to awarding the contract, and I went through some, but I don't recall. I wouldn't say I went through the whole file.

. Q Did Colonel Lester ever indicate to you that he was aware of this audit?

. A Not that I recall.

. MR. OLIVER: I would like to enter as Kag~~a~~in Exhibit No. 6 the IBC contract that we have been discussing here today.

. [The following document was marked as Kag~~a~~in Deposition Exhibit 6 for identification:]

. MR. SCHWEITZER: It would have been easier to do that a few minutes ago.

. BY MR. OLIVER:

. Q Mr. Kag~~a~~in, is this a copy of the IBC contract which you signed on September 2nd?

. A Just as a technical correction, I never signed the contract. The contracting office signed the contracts.

. Q Is this a copy of the IBC contract for which you were COTR?

. A Yes, it appears to be.

. Q In fiscal year 1986. Off the record.

. [Discussion off the record.]

. MR. OLIVER: Back on the record.

. Let the record note that this is a copy of State Department contract 1001-602066, signed September 2, 1986, by Richard R. Miller and Barbara Garland.

. BY MR. OLIVER:

. Q Mr. Kagan, you recognize this contract as the contract for which you were the COTR, is that correct?

. A Yes, I do.

. Q Would you turn to the last two pages of this document, and you will see there a memorandum to you from Barbara Garland, who was the contracting officer, the subject of which is delegation of the contracting officer's technical representatives' responsibility and authority; is that correct?

. A Right.

. Q Have you seen them before?

. A Yes, I have.

. Q When did you first see that memorandum?

. A Sometime in September.

. Q If you will look at the next to the last paragraph on the second page of that memorandum, it says, and I quote from the document: ''Upon completion of the contractor's work, an inspection shall be performed by the COTR, and any deviations from contract requirements such as shortages or deficiencies shall be brought to the attention of the contracting officer in writing.''

. Did you perform such an inspection?

. A Yes. We went through all the documentation that we had, and went through a process of making sure that what they charged was in accordance with what they had done.

. Q Did you perform such an inspection?

. A No. I had my executive assistant, Colonel Lester, look into that.

. Q If you will read the last paragraph on that page, it says, and I quote: ''Delegation of authority is limited to the above referenced contract and is not subject to redelegation by you, and may be terminated at any time by written notice to you from the contracting officer.''

. A I didn't delegate the authority. I kept the authority, but I had my executive assistant look over the papers for me and discuss it with me. That is different from delegating authority.

. Q But you did not conduct the inspection yourself?

. A I worked with Colonel Lester on inspecting this contract.

. Q Did he inspect the performance of the contract?

. A Yes.

. Q And did he tell you that the contract had been performed adequately?

. A Yes.

. Q And it was on his recommendation that you certified that the contract had been performed and recommended that payment be made to IBC?

. A It was on the basis of what he went over and on my own recommendation.

. Q Did Colonel Lester inform you at that time of the audit report of the program Inspector General that had taken place in July?

. A You have asked me whether Colonel Lester informed me of the audit at any time, and I don't recall that he did.

. Q You have indicated that he did inspect, you and he did inspect the file and inspect the performance of the contract, is that correct?

. A Yes.

. Q Is it your testimony that that inspection did not reveal the audit of the program Inspector General that was issued in July of 1986?

. A It's my testimony that I don't recall, that I have not seen this audit before and I don't recall being aware of it.

Q So that would mean you do not recall Colonel Lester ever informing you of this audit.

MR. SCHWEITZER: He has answered the question. That is what he said.

MR. OLIVER: I'm just trying to clarify, Counsel. He said that he did not recall ever seeing the audit.

MR. SCHWEITZER: Correct.

MR. OLIVER: I'm asking him whether or not he recalls whether Colonel Lester ever told him about it.

MR. SCHWEITZER: He has answered that and he said no.

BY MR. OLIVER:

Q Is that your answer?

A Yes.

Q The answer is no.

MR. SCHWEITZER: That is markedly different than whether or not it was part of the investigation that took place, Mr. Oliver.

BY MR. OLIVER:

Q What I'm trying to determine, Mr. Kagan, is whether there was any oversight of the performance of this contract by you during the contracting period in accordance with the requirements of the COTR. Is it your testimony that you believe you performed the function of COTR adequately during that period of time?

. A Yes. I just want to point out also that the Inspector General's report, which has been entered into the record, went through the contract and what services were performed under it in rather great detail, did a full Inspector General's investigation of it.

. Q Which Inspector General's report are you talking about? We have two of them.

. A The one that is in your hands, Exhibit No. 3.

. Q And that Inspector General's report to which you are referring indicated, did it not, that there were many problems with that contract?

. A Yes, it did.

. Q Were you aware at any time of the discussions that took place relative to the need for classification of the IBC contract within LPD?

. A No.

. Q Did those discussions take place prior to your becoming the head of LPD?

. A The terms of the contract were all laid out prior to my coming to LPD.

. Q Were you aware of the Inspector General's finding that the contract should not have been classified?

. A Yes.

. Q By the Department of State?

. A Yes.

. Q Were you aware at the time of the need for classification of this contract prior to your signing the contract or prior to your becoming the COTR contract in September of 1986?

. A No.

. Q Are you aware, Mr. Kag~~a~~in, that the reason that the Inspector General found for classification of the contract was due in their opinion to the fact that they were trying to avoid the public-bidding process for the contract?

. A I'm aware that that is what the Inspector General decided, in their opinion.

. Q Was the reason that you terminated the relationship with IBC at the end of fiscal year 1986 due to the fact that you could not award them another sole-source contract?

. A No.

. Q Why did you terminate the relationship with IBC at that time?

. A I thought the contract was a great deal of money for services that I felt could be done in-house.

. Q And did you inform Rich Miller of that?

. A I informed Rich Miller that I wouldn't be asking to continue with the contract.

. Q And what did he say?

. A He said fine.

. Q Were you aware during 1985 and 1986 of Rich

Miller's work with Colonel North?

. A No.

. Q Were you aware of Spitz Channell's work with Colonel North?

. A No.

. Q Were you aware of Bruce Cameron's work with Colonel North?

. A No.

. Q Were you aware of Penn K~~i~~emble's work with Colonel North?

. A I was aware that Bruce Cameron and Penn K~~i~~emble knew Colonel North. I don't know what you mean by work.

. Q I think it's fairly well on the record at this point that Rich Miller was working rather closely with Colonel North.

. A You are asking me about Penn K~~i~~emble and Bruce Cameron.

. Q I thought I said you don't know what you meant by work.

. A In the case of Penn K~~i~~emble and Bruce Cameron.

. Q What was your understanding of Bruce Cameron's relationship with Colonel North, his work with Colonel North?

. A I have no particular understanding of it.

. Q Did you have any understanding of what Penn

K~~a~~emble's relationship or work with Colonel North was?

. A No.

. Q Did you understand that their relationship with Colonel North was related to the Nicaraguan resistance?

. A I can't say what their relationship was based on, but it may have in part been based on having to do with Nicaraguan resistance.

. Q Do you know Mr. Marty Artiano?

. A No.

. Q Do you know David Fischer?

. A No.

. Q During the period of time that you were special assistant to Elliott Abrams, were you aware of a luncheon that Elliott Abrams attended with Spitz Channell, Rich Miller, Frank Gomez, Marty Artiano, David Fischer and Dan Conrad?

. A I don't recall being aware of that, no.

. Q Were you aware that Mr. Abrams was asked to speak at a White House briefing on January 30, 1986?

. A I don't recall specifically. It is likely that I would have been aware that he was speaking at the White House.

. Q Were you aware that this speech was to a group of people who had made substantial contributions to support the President's policies in Central America?

. A No.

. Q Did Mr. Abrams ever discuss with you after that meeting what had occurred there?

. A No.

. Q Were you aware of something called the Central American freedom plan?

. A No.

. Q Central American freedom program, I'm sorry.

. A No.

. Q Did you know that there was an effort by a group of private organizations to influence the Congress on the vote for assistance to the resistance in Nicaragua?

. A No.

. Q What did you think was the purpose of the meeting you attended at PRODEMCA with Penn K~~i~~Emble, Bruce Cameron, Dan Kuykendall, Rich Miller and congressional aides?

. A It was discussion of the pending vote.

. Q Was it a strategy meeting on the pending vote?

. A You might characterize it as that, yes, maybe.

. Q So you were aware that these people were involved in that effort?

. A In what effort?

. Q The effort to influence the Congress on a pending vote for aid to the Nicaraguan resistance?

. A I have to say I can't say specifically that I was aware of what any given individual, most of whom I didn't know, were involved in.

. Q You knew Penn K~~i~~emble quite well, is that correct?

. A I don't know that I knew him quite well at the time.

. Q When did you first meet Penn K~~i~~emble?

. A I would say--I don't know when I first met him. I may have met him at functions over the years, but I didn't really get to know him until I went to work at Inter-American Affairs Bureau.

. Q When you say over the years, how many years are you talking about?

. A I met him at a Committee for the Free World conference in 1984 or in 1983, and I knew of his writing.

. Q Who invited you to that meeting?

. MR. SCHWEITZER: Which meeting?

. MR. OLIVER: The meeting that we are discussing at Penn K~~i~~emble's office at PRODEMCA.

. THE WITNESS: I think Penn may well have.

. BY MR. OLIVER:

. Q Why did you go?

. A I was curious to see what people thought about how the situation on the Hill was.

. Q And you were introduced to Dan Kuykendall at that meeting, is what you testified earlier, is that correct?

. A Yes. I don't want to be too confident on that, but I believe that is likely, possible.

. Q Did you see that Dan Kuykendall worked for Penn K~~i~~emble?

. A No.

. Q You knew he worked for another organization?

. A I didn't know who he worked for but I wasn't under the assumption that he worked for Penn K~~i~~emble.

. Q When you were introduced to him, what were you told was his role in this meeting?

. A I just knew that he was a former Congressman.

. Q What was Rich Miller's role at this meeting, to your understanding?

. A I didn't know what his role was.

. Q You were during this period of time attending the RIG meetings, is that correct?

. MR. SCHWEITZER: Let me object, Mr. Oliver. We have been over this twice now. We are going over it a third time. Yes, he attended the RIG meetings.

. MR. OLIVER: Counsel, I haven't finished my question yet. If you wish to object to my question when I finish, you have a right to do so.

. MR. SCHWEITZER: I apologize to you. I did interrupt you. I'm sorry. I will let you finish your question.

BY MR. OLIVER:

Q You were attending the RIG meetings at this time which dealt with congressional--what was happening on the congressional vote to some extent, is that correct?

A That those meetings to some extent dealt with that issue?

MR. SCHWEITZER: Now I will object in that we have been over this I think at least once, maybe twice.

MR. OLIVER: Very well, I will rephrase the question.

BY MR. OLIVER:

Q I will ask you once again, if I may. Is it your testimony that you were not aware of the efforts of these private groups to influence the vote on aid to the Nicaraguan resistance in the Congress?

A I don't know what private groups you are referring to.

Q I will name them. PRODEMCA, were you aware of their efforts to influence the vote in the Congress?

A I know that they were in favor of getting aid to the Nicaraguan resistance, but I do not know what specifically they were doing to bring that to fruition.

Q My question was whether or not you knew of the efforts of these private groups to influence the vote in the Congress?

A Right.

Q And you asked me which groups, so I will name these groups and the question associated with each one is, did you know or were you aware of their efforts to influence the vote in the Congress?

MR. SCHWEITZER: And he answered that as to PRODEMCA. What is the next one?

BY MR. OLIVER:

Q The Gulf and Caribbean Foundation?

A I don't know what the Gulf and Caribbean Foundation was.

Q The National Endowment for the Preservation of Liberty?

A I didn't know what that was.

Q The Center for Democracy in the Americas?

A I don't know what the goal of the Center for Democracy in Americas was.

Q I would like to ask you about some individuals who were associated with these organizations. Bruce Cameron?

A I to this day do not know what Bruce's goal was.

Q Do you know what his job was?

A No.

Q Penn K~~i~~Emble?

A Penn K~~i~~Emble was the head of PRODEMCA.

Q My question was, were you aware of whether or not he was involved in attempting to influence the vote in the Congress on aid to the resistance?

. A I have answered that question. I know that he was in favor of aid to the resistance, and I don't know what he was doing to carry out, to bring that to fruition.

. Q Were you aware of efforts by Rich Miller to influence the vote in the Congress in 1986 on aid to the resistance?

. A I was not.

. Q Were you aware of the television ads that were run in the Washington area by the National Endowment for the Preservation of Liberty or the American Conservative Trust or Sentinel related to the vote in the Congress on aid to the resistance in Nicaragua?

. MR. SCHWEITZER: What was the third one, Sentinel?

. BY MR. OLIVER:

. Q Sentinel.

. A I was aware of television ads. I don't think I know who was sponsoring them.

. Q Did you know who was sponsoring them?

. A No.

. Q Did you attempt to find out?

. A No.

. Q Did you ask anybody who was sponsoring these ads?

. MR. SCHWEITZER: Objection. He just answered that.

Did you attempt to find out?

MR. OLIVER: Counsel, the witness was the director. He was a special assistant to the assistant secretary of State for Latin America. He was attending meetings in the White House on the Office of Public Diplomacy. He was attending the RIG meetings that involved discussions of the congressional vote. He was attending strategy meetings at PRODEMCA. He was deeply involved in the Central American policies of this administration, and what I'm trying to find out is whether or not he was aware of what was going on in the effort to influence the vote in the Congress.

MR. SCHWEITZER: Mr. Oliver, you certainly have a right to do that and ask questions. When questions have been asked and answered, I think it's a waste of our time to continue to ask the same thing, plus my view is that what you are doing is you are badgering this witness at a fact deposition where you are attempting--I presumed when we came up here that you were attempting to gain facts for your reports. That is what Mr. Fryman told me. Now, you don't like the answers that you are getting.

MR. OLIVER: I didn't say that, Counsel. That is your characterization.

MR. SCHWEITZER: It's my characterization, but I doubt that anyone who reads this transcript will have any other view of that, and as a result of not liking the answers to the questions that you are getting, you are asking questions 18 different times, the same questions, and he is giving you the same answer.

Now, at a fact deposition, we are not at a hearing today, as I said once before. We are here voluntarily to provide information to this committee truthfully, as he has done in the Senate and before the Special Prosecutor. This man has been harried and harassed by all of you. He has attempted to do his job and you are continuing to do that. Let me rephrase that. I don't want for a second to have on the record that I think the Senate people did that. They did not, nor do I want to say that the Special Prosecutor did that, because he didn't. I felt that both of those proceedings he was asked in great detail fact questions, but they were fact questions. Today, for the first time, I believe that you are attempting to harass him, and I object to that. I think that is an improper use of this committee, and I think it's the wrong way to proceed.

I have tried to proceed as you would at a deposition, and that is a fact deposition where you are attempting to get information. You keep looking at the clock. You are the one that is taking all the time, not us, and Mr. Fryman and I have an agreement that at 12 o'clock or sometime shortly thereafter, we would continue, and at 12 o'clock I would like to ask you where we are going, but let's go back to asking him questions, and I would request that you don't ask the same question over and over and over again because you are dissatisfied with the answer.

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. MR. OLIVER: Counsel you have a right to object on whatever grounds you believe are proper.

. MR. SCHWEITZER: I appreciate that.

. MR. OLIVER: I am going to ask the questions in the ways that I believe will elicit the facts that we are trying to ascertain here. If I repeat the question or rephrase the question, it is because I may not have asked it correctly. I am not concerned about what the answers are, it is just that we get the complete answers.

. One of the reasons that I have asked these questions several times is because Mr. Kag~~a~~En was in a central position related to Central American policies at the time that all these things were occurring, and I am trying to determine what he knew and what his involvement was in these activities at this time. I will try to make the questions brief, and get on with this as fast as we can but I object to your characterization of whether or not I like or dislike the answers because that is not the purpose of this deposition. You could come to whatever conclusions you wish, but I can assure you that liking or disliking the answers has nothing to do with these questions.

. MR. SCHWEITZER: If a Committee member reads this, you have asked the same questions six times over and if he can reach any other conclusion, I will be darned surprised. Let's continue.

We are here for precisely the reason you stated, that is to elicit facts from this man. We have done it as I have said on four occasions in the past, and I am sure you have--at least I am sure--not from the special prosecutor, from the Senate that testimony available. I thought, as you rightly stated at the beginning of the deposition, the Senate investigator did not go into the IBC contract in detail. I felt that was an appropriate inquiry here because they did not, and if we are going over the RIG meetings, and the Office of Public Diplomacy which they went into and Mr. Smiljanich went into it in great detail, or any of the other areas, I think it is a waste of our time, and it sure as hell is a waste of our time.

BY MR. OLIVER:

Q Mr. Kagan, in your position as special assistant to to Assistant Secretary Regan or Director of the Office of Public Diplomacy--

MR. SCHWEITZER: Assistant Secretary?

MR. OLIVER: Abrams.

MR. SCHWEITZER: You said Regan.

MR. OLVIER: Sorry.

BY MR. OLIVER:

. Q I meant Abrams. What was your involvement in the legislative activities on behalf of the Administration to secure assistance to the Nicaraguan resistance?

. A I was an adviser to Assistant Secretary Abrams and tried to provide him with information on what I took the Congressional situation to be.

. Q And how did you obtain that information?

. A By talking to staff, by talking to people who know what the Congressmen were thinking, by reading the newspapers, by judging, by going over past votes.

. Q Did you participate in strategy sessions related to this vote within the Department of State?

. A Sure.

. Q Did you meet with the legislative officers of the Department of State?

. A Occasionally.

. Q It is your testimony that during this time that you were giving advice to the Assistant Secretary on the legislative situation, that you were not aware of the efforts of these private groups to influence that vote?

. MR. SCHWEITZER: I will object. That has been asked and answered a number of times.

. THE WITNESS: I would say that is correct.

. MR. OLIVER: Thank you, Mr. Kag~~a~~en.

. BY MR. OLIVER:

. Q Are you aware of any involvement of Colonel North in the legislative effort on behalf of the Administration?

. A Am I now aware?

. Q Were you aware at the time?

. A When I was Special Assistant?

. Q Talking about the period of 1986, in the period prior to the votes which occurred in, I believe, April and June.

. A Colonel North certainly concerned himself with the legislative issues.

. Q How did he concern himself?

. A He participated in meetings where legislative issues arose.

. Q That would be the RIG?

. A The RIG, sure.

. Q And the meetings which took place in what?

. A Not really there, mostly in the RIG.

. Q Were you aware of his participation in any meetings outside of the RIG in Congressional strategy?

. A I wasn't aware of any meetings that were taking place that I wasn't a part of.

. Q Were you aware of IBC's relationship with Spitz Channell during the time that you were the COTR for the contract with IBC?

. A No.

Q When did you become aware of IBC's relationship with Spitz Channell.

A I would say sometime after this was all disclosed to the public.

Q In your earlier testimony you discussed with Mr. Smiljanich and Mr. Traylor your involvement in the effort to obtain funds in relationship, for lawyer, in relationship to the Hasenfus incident?

MR. SCHWEITZER: Are you asking when he testified? You have got the transcript right there. If you want to ask him a questions, why don't you show him the transcript? I ask that you show him the transcript.

MR. OLIVER: Let me rephrase the question.

MR. SCHWEITZER: Thank you.

BY MR. OLIVER:

Q What was your involvement in attempting to obtain assistance for Mr. Hasenfus after he was captured by the Sandinistas in Nicarargua?

A I had no involvement.

Q Were you aware that Mr. Abrams called Colonel North seeking his assistance in providing funds for the return of the bodies of Mr. Sawyer and Mr. Cooper to the United States after they were killed in the plane crash in Nicaragua?

A I wasn't aware at the time.

Q Did you know that the money which was provided for that purpose came from Rich Miller?

A No.

Q So you were not aware of any funds provided by or through IBC to the resistance or to the private groups that were attempting to influence the vote or to provide assistance for the return of the bodies killed in the Hasenfus plane crash?

MR. SCHWEITZER: That is a lengthy question plus you are assuming a fact not in evidence. Your question, so you were not aware, are you asking him was he aware of, then these lengthy pieces of those questions.

BY MR. OLIVER:

Q Were you aware that Richard Miller and IBC were providing funds to the resistance in Nicaragua?

A No.

Q Were you aware that Richard Miller and IBC were providing funds to Colonel North, or through Colonel North, or at Colonel North's direction, directed to provide assistance to the Nicaraguan resistance?

A No.

Q Were you aware that Richard Miller and IBC were involved in arranging a meeting at the White House, for contributors to Spitz Channell's operations?

A No.

Q I would like to have a five-minute break and confer with Mr. Fryman, if I may.

[Short recess]

. MR. SCHWEITZER: It is 11:40 right now.

. MR. OLIVER: We will try to finish by 12:00 o'clock.

. MR. SCHWEITZER: Good.

. BY MR. OLIVER:

. Q Mr. Kag~~a~~en have you discussed your testimony before this committee, your depositions before this committee with anyone other than your lawyer?

. A Sure.

. Q Who have you discussed it with?

. A My wife, my parents, some friends, occasionally, with people in the Department.

. Q Other than your wife and your family, who have you discussed your testimony with in the Department of State, or--

. MR. SCHWEITZER: I am going to let him answer the question because his answer is an innocent one, but I am going to object because there are a lot of implications that run from that. It is not a question that--strike that. I object because there are a lot of implications that run, that go from the question, but go ahead and answer that.

. THE WITNESS: I would say with members of the Department I haven't really discussed substance. I have mostly discussed the facts or the tone or, generally, what they have been like with a number of people--Bill Walker, Danny Watinburg, others in the office. I haven't discussed substance with Mr. Abrams, but I have discussed the fact of testimony with him.

MR. SCHWEITZER: Let me say also, if there is an implication here from this question, that there is any kind of subornation of perjury or manufacturing of testimony, I strongly object to that, Mr. Oliver.

MR. OLIVER: There is no such implication, counsel.

MR. SCHWEITZER: Thank you.

BY MR. OLIVER:

Q Have you discussed your testimony here with Richard Miller?

A No.

Q Have you discussed it with Frank Gomez?

A No.

Q Have you discussed it with Penn Kemble? ~~Kimball?~~

A Only the fact of the testimony, not the substance.

Q When you say the fact of the testimony, you mean the fact that you have testified but not what you have testified to?

A Right.

Q Have you discussed anyone else's testimony with anyone other than your lawyer and what--when I say that, I mean I am referring to anybody whose name has been mentioned here today in connection with this deposition.

. MR. SCHWEITZER: Do you mean have you discussed their testimony?

. MR. OLIVER: That is correct.

. MR. SCHWEITZER: With them?

. MR. OLIVER: That is correct.

. MR. SCHWEITZER: Other than discussing their testimony with me?

. THE WITNESS: People who have been named in the course of our conversations today, I don't think so.

. BY MR. OLIVER:

. Q Other than Mr. Abrams and Mr. Walker, who else in the Department of State have you discussed the substance of your testimony with?

. A I discussed it briefly with Otto ~~Wright~~ Reich, but it was mostly--we were discussing the questions that Congressman Fascell was asking, but that related to, came out up a little about with Ambassador ~~Wright~~ Reich.

. Q When did you discuss this with Ambassador ~~Wright~~ Reich.

. A When was Congressman Fascell asking his questions. You ought to know that.

. Q It was May and August of this year.

. A No. He was asking specific questions of Bud McFarlane and others. I don't know, maybe a month ago, maybe a month and a half ago.

. Q You discussed it when he was here in Washington?

. A That is right.

. Q And you discussed his testimony, the substance of his testimony, at that time?

. A Not at any great length. He said they were asking him something, he was saying, he didn't know what they were talking about, it was very briefly.

. Q Did you discuss the IBC matter with Ambassador Reich ~~Wright~~ during these conversations?

. A No.

. Q Did you ever discuss your testimony with John Blacken?

. A No, John Blacken has been in Guinea-Bissau for the last--

. MR. SCHWEITZER: The answer is no.

. BY MR. OLIVER:

. Q Did you discuss your testimony with anyone in the White House?

. A No.

. Q I have no further questions at this time. I believe Mr. Buck has some questions, and Mr. Fryman may have some questions.

. MR. FRYMAN: I have no questions, Mr. Buck?

. MR. BUCK: I have a few short questions.

BY MR. BUCK:

Q I am wondering, are you aware of any human rights abuses by the Sandinista government?

A I am aware of many, many, many, human rights abuses by the Sandinista government.

Q Can you list a few that just come to mind, maybe a few of the more egregious ones.

A The most egregious ones in the last few months have been the massive relocation of Nicaraguan campasinos from the Uevaguine area, as well as the systematic bombing of the population in order to depopulate the areas so to make it a free-fire zone.

Q Thank you, I have no further questions. Flynn?

MR. FLYNN: No. Thank you very much for your testimony.

MR. OLIVER: Thank you very much. I have no further questions. Let the record note that we have finished before 12:00 o'clock and we appreciate your cooperation.

[At 11:50 a.m. the deposition was adjourned.]

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HSITS-6/87

DEPOSITION OF
ALTON G. KEEL

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Wednesday, March 18, 1987

The deposition convened at 9:35 a.m. in Room B-352 Rayburn House Office Building.

Present: W. Neil Eggleston, Deputy Chief Counsel, House Select Committee to Investigate Covert Arms Transactions with Iran; George Van Cleve, Chief Minority Counsel, Select Committee to Investigate Covert Arms Transactions with Iran.

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by [redacted], National Security Council
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(9:35 a.m.)

MR. EGGLESTON: Thank you, Dr. Keel. Do I say "Mr. Ambassador"?

THE WITNESS: "Al" will do, actually.

MR. EGGLESTON: Thank you for coming today.

For the record, I am Neil Eggleston, Deputy Chief Counsel of the House Select Committee to Investigate Covert Arms Transactions with Iran. Also present is George Ven Cleve, Chief Minority Counsel.

Whereupon,

ALTON G. KEEL

was called as a witness and, having been duly sworn, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SELECT COMMITTEE

BY MR. EGGLESTON:

Q Dr. Keel, I know you are leaving shortly. I will go through this as quickly as I possibly can. I would like to tell you where I and Mr. Van Cleve would like to go.

We would like a little bit about your background. We would like to focus mostly on the events of November of 1986 and probably go back and ask you questions about the period September and October.

If you could just as briefly as you can describe your education and professional background up to September of 1986, that would be helpful.

A Certainly. I will try to be both brief and modest.

I have a doctorate in engineering and did begin my career doing research with the Department of the Navy on weapons systems. Ultimately, joined the Senate Armed Services Committee about 1976, 1977 as a professional staff member and worked on the professional staff until about 1981 when I was appointed as Assistant Secretary of the Air Force for Research and Development.

I had that position until 1982 when I was appointed as Associate Director of OMB for International Affairs and National Security, maintained that position until February of 1986 when I was asked to be the Executive Director of the Shuttle Commission and served there throughout the Challenger investigation until August of 1986.

Then I was asked in September to join NSC on a temporary basis when the Deputy Director there was gravely ill and agreed to come in on a temporary basis in September, and actually came on board in September with the agreement I would work until after the election or thereabouts or January, and would have the ability to gracefully go on and do other things.

Q Do you recall what day it was you actually started on the job at the NSC?

A It was the first Monday of September which, I believe, was like September 2.

Q You are no longer now with the NSC, I take it. Is that correct?

A No, I am not.

I just recently -- I was -- the President announced his intent to nominate me as Ambassador to NATO in about mid-December. I was nominated and confirmed by the Senate last Wednesday, was sworn in Friday, and am now embarking today to take up those duties.

Q Congratulations on that.

A Thank you.

Q When is it that you actually left the NSC?

A January 2 -- January 2 or January 3.

Q Actually, I see from my calendar the first Monday in September was the 1st? For whatever --

A Was that Labor Day, though? Maybe it was --

Q Might have been Labor Day.

A The first working day. I think it was the second. It was probably a Tuesday.

Q When you first started at the NSC, you were Acting Deputy Director?

A Acting Deputy National Security Advisor.

Q And did you remain in the acting capacity throughout the time that you were there?

A No.

Once -- regrettably, once Mr. Fortier passed away, then they made me the -- officially the Deputy National Security Advisor, after he deceased.

Q I take it on or about November 25 of 1986, did you become acting National Security Advisor?

A Yes, I did.

It was announced by Attorney General Meese that Admiral Poindexter had resigned, then, ironically, I learned through that same press conference, media, that I was now acting.

Q Let me -- as I said -- focus our attention so we can do this quickly on the time period of November 1986 -- at that time, November 2nd or so through November 25th of 1986.

First, just to give you dates that are fairly well set, I think you will recall the hostage was released on or about November 2nd and I think that was Jacobsen.

On November 3rd, that was the day the story leaked in the Beirut press about Mr. McFarlane's trip. Did you know Mr. McFarlane prior to the time that you were at the NSC?

A Yes, I did.

As a matter of fact, he and I both were at the -- on the Senate Armed Services Committee at the same time.

Q Did you know Admiral Poindexter prior to that time?

A I met Admiral Poindexter when I was at OMB as Associate Director. I knew him during the period I was at OMB.

Q Had you known Colonel North?

A Yes. I met him also during the period I was at OMB as Associate Director.

Q Prior to this time, had you ever met Mr. Secord?

A No. To my knowledge, I have never met him, although I was Assistant Secretary of the Air Force. There could have been some occasion, but certainly to my knowledge, I have not met him and don't know his activities.

Q After the story was released in the Beirut press on or about November 3 of 1986, was there a -- were there conversations among you and Admiral Poindexter about how to react to the story?

A Well, there were obviously a number of conversations once the story started coming out. In fact, I was learning as the story was unfolding about events I didn't know about. There were discussions in terms of what we could say publicly, because it was being -- the initiative had been treated, obviously, as a covert action.

So, there was a concern about safeguarding various aspects of the initative because of concern over the hostages and regarding third -- regarding intermediaries who were involved.

Q Right.

A So, there was discussion, yes, as to how to react, what we could say, and when we could say it, in effect.

Q I understand there was a meeting on or about November 10th with various individuals that you attended, a meeting with the President, the Vice-President, Mr. Shultz, Mr. Weinberger, Mr. Regan, Mr. Casey, Mr. Meese, Mr. Poindexter, and yourself.

Prior to that time, this November 10th meeting, had there been -- had the efforts to produce a chronology already begun?

A Not to my knowledge.

The chronology effort actually didn't begin until later on in preparation of telling -- the intent was to tell the full story to the Intelligence Committee -- again, during this whole period it was still looked at as a covert action, so there was a concern about safeguarding some aspects because of the reasons I have already mentioned.

But the intent was to tell the intelligence committees all the details. So, the concerted effort to put the chronology together, hence the detailed history, didn't come into play until just -- the period immediately before the scheduled briefings and ultimately testimony by the Director before the intelligence committees.

Now, what went on prior to the tenth, first off, again, the stories were coming out. Certainly from all that I knew -- and I think it is still borne out today -- a lot that was being reported wasn't accurate, wasn't true. There was concern about the speculation there.

So, there was a frustration of not being able to tell the story and get out the facts without being put in a position of compromising the initiative and, in fact, risking what at that point was viewed -- risking some people's lives.

So, there was, however, recognition that, geez, we are going to have to go and brief Congress, especially the appropriate bodies.

During that period -- in fact, in part, with my advice, Admiral Poindexter did make several phone calls to various members of Congress. I can't remember exactly who he was able to get hold of and who he wasn't. The people he intended to call were Senator Leahy, Senator Durenberger, Congressman Hamilton, Congressman Stump, Congressman Hyde, Senator Byrd, Senator Dole, Congressman Michel, Congressman Wright -- the obvious leaders and chairmen and ranking of the committees of jurisdiction.

So, there was a series of phone calls he made, basically saying, "Look, a lot of what you are hearing isn't right, but there is something going on. I can't tell you all the details now, but as soon as we are in a position to do it, we will do so."

So, that was happening during this whole period.

Q Let me just ask you about your own knowledge about one event.

As of this meeting with the President November 10, were you aware there had been the previous January Finding, Presidential Finding with regard to the Iran initiative?

A I may have been aware of it just prior to that. I can't tell you exactly the date when I became aware of the finding. It was in this period that I became aware of the finding, that there was a finding, in this sort of January 2nd -- excuse me, November 2 - November 10 period.

Whether it was the November 10 meeting or right before, I just can't tell you exactly. That was a period where I was told -- became aware there was a finding.

In fact, I was even shown the finding.

Q This November 2nd or 3rd to November 10th time period, did you attend prior to this meeting on the 10th -- did you attend any other meetings with the President with regard to this matter?

A Well, there were no meetings specifically addressing this matter, but I attended as a norm every 9:30 national security briefing with the President on a daily basis, with Admiral Poindexter, the Chief of Staff, the Vice-President, and the President.

So, obviously, during this period, in the course of that meeting, the fact that this story was out there and that, geez, we were getting killed by the story and there was a lot of speculation that wasn't right, and frustration, as I mentioned before about not being able to give what we thought was the proper context of the story out.

So, there were -- that wasn't a specific meeting to discuss this initiative, but at that 9:30 national security briefing, it did come up.

Q Were -- did you take notes at those meetings?

A No, I did not. The only time that I would take a note, take a note in that meeting, was an action item such as, "Go put together a response to the Maggy Thatcher letter to the President" or "Make sure we get a response."

If it were an action item, I would take a note on it and go get the action started and then typically dispose of those notes afterwards, because they were just reminders for me.

Q I take it these were informal meetings. No one would take notes.

A The procedure, certainly since the period I was there, and my impression was even the period before, was that no notes were taken at the 9:30 national security briefing.

Q I will just ask it that way. Was it the normal practice for deputies to attend the 9:30 national security briefing?

A I believe so. At least it started with Admiral Poindexter. It may have started then when Admiral Poindexter was the deputy to Mr. McFarlane, but I know that when Don Fortier was his deputy, he attended.

When I came on board, certainly within a period of a few days, I started attending.

Q Were there other sorts of people at the deputy level who attended the meetings?

A Rod McDaniel, Executive Secretary, typically attended. Now, I don't think the Executive Secretary did before, but once I came on board, John decided that he wanted Rod to attend those also. So, most often Rod attended also.

Q Let me --

A Or Mr. McDaniel.

Q Let me ask you to direct your attention to the meeting that took place on November 10th. I gave a list of people that was there. I don't know if you can remember the list.

A Yes.

Q I will read off the names that I had. I will ask you as best you recall who was there.

A It was an event that I certainly can remember, so I think I remember everyone there. It was Monday, the 10th, as you have indicated, of November. I believe that was a Monday.

Q Correct.

A It was, of course, the President, the Vice-President, Secretary Shultz, Secretary Weinberger, Attorney General Meese, the Chief of Staff, Mr. Regan, Admiral Poindexter, myself, and I believe that is the full attendance.

Q Do you recall whether Mr. Casey was present?

A Excuse me, yes. Mr. Casey was present.

Q Okay.

Had that meeting been called for a particular purpose?

A I learned about it from Admiral Poindexter on that Monday morning. Basically, it was to talk about the Iran initiative and the fact that we needed to get our story out to the public and tell as much as we could to the public and discuss how to go about doing that, because the frustration was peaking. It had been roughly a week since the revelation in the Middle Eastern Journal. The press stories were running one or two a day.

As I said, there was a lot of speculation that wasn't accurate. Things were getting out of context. So, it was a frustration we couldn't get our story out.

So, it was a meeting to discuss, geez, how do we get our story out and how can we tell as much as we can to the public?

There were two -- in the context of the whole discussion, it was, geez, let's explain why we did what we are doing and tell as much as we can, put it in the policy context. And let's plan on making a public statement.

There was concern by -- essentially, everyone there, that some aspects of what was going on had to be protected because of the lives of the hostages and the people involved. Certainly, the President felt very strongly that we couldn't jeapordize or risk anyone's life.

At the same time, there was a clear view that we had to tell the intelligence committees, give them a full briefing and get prepared to brief them as soon as possible and get that ongoing.

So, there was sort of a parallel.

Q Was the President given a factual briefing or overview about what had taken place in the initiative from the beginning or any time?

A Yes. What Admiral Poindexter did for the benefit of the entire group really is to sort of lay out from his own personal notes a recounting of events, what had transpired, and what had been accomplished, in effect, in terms of trying to establish some relationship with Iran and also, of course, trying to win the freedom of the hostages.

So, we went through from his own personal notes, which ~~me~~ my impression was -- was pretty much based on his memory with, you know, perhaps some consultation with Colonel North and maybe some consultation with Mr. McFarlane, but I just can't confidently say that, but I assume so -- basically, his personal notes laying down -- here is the recollection. He went through all of that for the entire group.

Q Something in the Tower Commission report led me to believe you took notes of the general meeting.

A I did. I did, indeed. There was a conscious decision going in we ought to take notes of that meeting. It was a specific meeting of all the President's national security advisors, one; and secondly, it was anticipated we were going to try to determine how much we could state publicly.

So, there was going to have to be some -- in essence -- direction coming out of that.

Q I have not -- I am sorry. I have not as of this time seen those notes. I anticipate that they are going to be made available to us.

But do you recall whether you took notes on Admiral Poindexter's factual briefing?

A I took notes of the entire meeting in shorthand fashion. Yes, I put down what Admiral Poindexter was briefing on events.

Q You obviously now know what the President knew and what he didn't know and sort of the events prior to the finding.

A Right.

Q They have become a matter of some substantial dispute.

Do you have any recollection of what Admiral Poindexter said about the United States involvement in the Iran initiative prior to the finding? Do you recall what he briefed the general group on?

A To the best of my knowledge, there are sort of two areas of controversy that have come up since the time in terms of pre-finding events.

One is that August-September time frame, and whether there was a prior or after approval of the Israeli shipment.

The other is what happened in November and what do we know about that.

Q Right.

A To the best of my knowledge, the November event wasn't brought up at all.

In fact, that sort of -- that whole issue just came up later as the effort continued to try to find out all the facts of what happened, and what was the sequence of events.

The Israeli September shipment --

Q Let me make sure I understand.

You have no recollection of him even mentioning anything about a November shipment?

A That is correct.

Q Okay.

A In fact, my recollection, frankly, is that that whole November shipment and issue came up late in the whole process of trying to get all the facts put together.

The September issue, my recollection is, was mentioned and, in fact, was mentioned the way we consistently were relaying it and, in fact, just to this day it is consistent with my understanding that the Israelis did, in fact, make a -- either August or September shipment.

I think it was referred to as September. Now, I am not quite sure what the facts say, frankly, whether it was August or September.

Q I think, actually, the facts show it was one in each.

A Is that right?

Q Yes.

A There was a September shipment that the Israelis made to Iran and that we found -- without our permission -- that we found out afterwards. That is my recollection of exactly how John -- that was his first briefing of that to that group. That was exactly my recollection of what he said.

That remained consistent throughout, ironically, with my understanding of what it was and is my understanding today of what transpired.

Q I know that there was probably not as large an event as of the day that the briefing took place as it has become today.

Do you recall whether anyone else in the room reacted to his briefing on the events of August and September of 1985 in a negative way -- "That is not the way I remember it, Admiral Poindexter" -- anything along those lines?

A No. There was no controversy, certainly, at that meeting.

In fact, again, I didn't even become aware of any controversy about the August-September time frame. There was later on some confusion of what happened in November, as I said. That whole event came up later.

Q Right.

A No controversy on August-September.

I know that Secretary Shultz in the meeting at some point relayed that Mr. McFarlane had explained some -- as the Secretary put it -- some convoluted or complex scheme of an airplane going here, an airplane going there, etc., and so forth, but I didn't associate that with August-September.

In fact, to this day I am not sure it was August-September. I think that was probably more the May shipment when Mr. McFarlane went to Tehran.

So, there was no controversy in that meeting. Again, I wasn't aware through the whole time there was any controversy over that issue. The first time that a controversy arose or I realized it was at issue was when we learned of Mr. McFarlane's testimony before the Senate Select Committee.

MR. VAN CLEVE: So the record is clear, you mean the Senate Select Committee on Intelligence?

THE WITNESS: Yes, on Intelligence, right.

BY MR. EGGLESTON:

Q Was the finding produced at that meeting, if you recall?

A I just can't remember if John brought it in. He probably brought it in. I can't remember. He certainly mentioned the finding in the meeting. I suspect he even read it, but I just can't tell you.

Q Was there any -- did you have the impression there was anyone in the room who had not earlier known about the finding?

A I think, in fact, even as John brought it up, he said, "All of you haven't even seen this finding yet," or something to that effect, but at some point, Secretary Shultz -- I became aware of the fact that Secretary Shultz had never recalled seeing the finding before.

Now, I am not sure if he mentioned it at that meeting or at some subsequent meeting. He could have mentioned at that meeting, "Geez, I didn't realize there was a finding."

Q That is sort of the question I wanted to ask. Was it your impression that he had just never seen a piece of paper, the actual words? Or was it your impression that he did not really realize, or had not known there had been an actual finding?

A Again, I am not quite sure at that particular meeting whether he made the point or expressed an opinion of not having been aware of the finding or not.

But subsequently, I was aware of the fact that he basically was saying, "Geez, to my recollection, I don't ever remember discussing a finding or realized that there was one being done." That was one of the gray areas.

Again, as people were trying to put together the facts and -- including the meetings and who attended them, so forth and so on, there were some recollections that at one point or the other, the Secretary had been told about the finding, but that was a gray area.

To my knowledge, it was never completely resolved to everybody's satisfaction.

Q Did you do anything up to this time, up to November 10, to get yourself up to speed on these events? This must have been -- maybe it wasn't, but it seems maybe this was all coming at you fairly quickly.

A Yes.

Q Did you get briefed by Colonel North or anyone about the facts that had taken place?

A You have described it exactly. It was coming at me very quickly. Things were unfolding -- I was learning things -- there was a lot of speculation in the press.

I couldn't -- some of which was true, and I didn't realize it was true. For example, the McFarlane visit. I didn't realize until later that that was true. I thought it was not when I first read it.

But I didn't make any specific independent efforts. I did, as people were trying to start to assemble the facts and gather their recollections -- I did try to keep myself posted and learn through that process. I wasn't doing anything independently. So, I was going in and out of meetings where people were trying to assemble what is fact, what is fiction. It was a process of trying to assemble for myself the story of what had happened.

Q Do you recall any discussion at this meeting of November 10 about the delayed congressional notification, any discussion about the decision not to have notified Congress substantially earlier?

A Again, I can't say conclusively whether or not it was brought up in that meeting. By this time, I was probably aware of it and either at that meeting or before, when I learned of the finding, I learned that in the finding itself, there was language to the effect that the Director of Central Intelligence should refrain from notifying Congress until otherwise directed.

So, I was aware of that direction either before that meeting or in the course of that meeting.

Again, I don't remember any specific discussion of that in that meeting. There was a discussion, though, and a recognition that we have to at this point go and brief Congress. So, if it was brought up, it was brought up in the context of, "We have not briefed Congress up to now, but certainly at this point we have to go brief --" -- and by "Congress" I am really talking about the intelligence committees, specifically, but in terms of all --

Q And the leadership?

A Right. In fact, there was a discussion at that meeting of also briefing the leadership.

Q Is there anything else that you recall -- let me ask you this question, first.

Are your notes of that meeting fairly complete, do you think?

A I think the essence of that meeting should be in those notes, yes.

Q Anything else that you recalll as a highlight of the meeting I should be asking you about?

A I think we have covered it. The essence of the meeting was, geez, we have to get out our story to the public, tell as much as we can, while still safeguarding the people involved, the hostages, and third parties, that we have to tell -- give a full briefing to the intelligence committees, brief leadership, a recounting of the policy basis of the initiative, John going back through a history of what had transpired and what we had accomplished.

So, that was the essence of the meeting.

A decision made in that meeting was, yes, let's schedule a meeting for the leadership, get that done right away; let's start putting in the works a public statement the President can make.

The President felt strongly it ought to be done and he ought to do it.

Q There are two other specific questions about that meeting. Do you recall any discussion about the financing of the arms transactions during the course of the meeting?

A There was no discussion of financing at all.

Q Was there any -- I understand from various other documents I have seen that there was some realization by this time that Mr. Ghorbanifar may have started to become a problem. Was there -- in terms of having lost money on the deals or something along those lines.

Do you recall any discussion of him, in particular?

A There was no discussion of him having any problems or having lost money. In John's recounting of events, he did point out there were, as he put it, two channels of -- channel one and channel two, with channel one being the first one with Ghorbanifar being the key intermediary there; channel two being the most recent one -- now this, of course, is all classified?

Q This is all classified.

A I can talk freely.

With Rafsanjani being involved in the second one through [redacted] that one being the more credible and more promising in terms of a contact to the people of influence within Iran.

But there was no -- there was no discussion of him being in trouble or any financing difficulties.

Q Did you by this time know that various aspects of this entire initiative had been really actually performed by non-U.S. Government personnel?

A Well, I realized, of course, the Israelis were involved and my impression was that they were sort of the key facilitator, that almost all the transactions in terms of arms shipments went through the Israelis.

Q Were you aware Mr. Secord and Mr. Hakim and Mr. Dutton and various others were involved?

A I may have been aware that Secord was involved.

In fact, I am sure I was aware Secord was involved in terms of the meetings that were going on with the Iranian intermediaries, that he was helping to facilitate those meetings. I wasn't aware of his role in terms of the arms shipments or him being involved in facilitating that. My impression was that he was one of the links between the Iranians.

Q All right.

A He was involved in some of those meetings that transpired with Colonel North and the CIA representative.

Q I know that by this time and even for the entire time you really weren't at the NSC that long a period of time. Was it unusual for the NSC to have been involved -- this heavily involved?

I will describe what I mean by that in a second -- this heavily involved in the operational aspects of a particular initiative? I mean, essentially, the NSC in several ways almost to the exclusion of other -- of the government agencies was heavily involved in coordinating -- Colonel North was actually in Europe working on it, working on the release of the hostages and various things.

Was the degree of NSC involvement in the operational aspects of this initiative unusual, in your view?

A Well, you are right. I really didn't know all the operational details, even in this November time frame. I hadn't learned all the operational details. But even from what I did know, my own view is that it was unusual to have that much operational involvement, and that this was an exception.

Q Let me move on to the time period between November 10 and November 13, which was the day of the President's speech.

Was it then sort of your recollection that the real chronology and the preparation of the chronology activity was begun after November 10?

A Yes.

Q Was there --

A Well, just to try to be as specific as possible, when you say "chronology", what I associate that with is the fairly concerted, focused effort that John and Colonel North were involved in, principally to put -- to lay out all the facts and all the events.

Now, as I said previously, of course, John put together his own notes of events. So, I differentiate that from the chronology in my -- that is the context I am answering.

Q As best you recall, what happened in those few days between the 10th and 13th? What efforts were made to get the speech ready, to get the facts ready so the President could make a speech to the country about what had actually taken place on the initiative?

A After that November 10 meeting, then, as I said, there was a clear decision we needed to make a public statement and say as much as we can and to put it in proper context. We felt we had a good story to say, certainly, the President did.

After that, then, I basically came back and put down an outline of what had been discussed at the meeting in terms of, "Here is what we ought to make sure we say in the speech," and relayed that to the NSC, principally

Colonel North and others involved in -- and directed them to put together a NSC draft of the speech in response to the meeting of the senior national security advisors.

And then, typically, the way the speeches are done in the White House, not just this White House, you start with an initial draft, you go through a number of iterations.

The NSC put together a draft, and that went, ultimately, to the speech writers, and then you sit down in a number of sessions over the final hours before the speech to basically word-smith it and smooth it.

That went on in this case. I was involved in almost all of those internal White House meetings to put the speech in final form.

Q Was Colonel North involved in those sessions, as well?

A He was involved in a number of them. I am not sure if he was at all of them. He was involved in probably most of them. But he had the lead role along with other members of the NSC staff putting together the first draft of the speech.

Q Was there any -- was there any -- who else was sort of the core group of people putting together the draft of the speech?

A Colonel North, his two assistants, Colonel Earl and Colonel Coy -- I am not sure it was Colonel or Commander.

Q I think it was Commander.

A Don't let me be embarrassed by having that show up.

Howard Teicher, principally that group. Also Mr. McFarlane was consulted in terms of especially the initial policy basis of the initiative, because he was there, obviously, at the ~~on-set~~ onset of the initiative. He was involved also.

Q Do you recall any disputes about the substance of the speech? I guess when I say "substance", what I mean is the facts related in the speech.

A No. There was really no issue or controversy on facts. There was the usual arguments about word-smithing and how to state something with sort of the trade-off between rhetorical flourish and making sure things were said in a precise and careful way.

There were arguments about exactly how much we could say and still accomplish what the President and his advisors wanted to accomplish in terms of making sure we didn't put anyone at risk, making sure that we recognized, as had been decided, it was a covert action and we ought to continue to treat it as such.

So, say as much as you can publicly, but within those confines. There were those kinds of decisions that had to be made.

Q Did you watch the speech?

A Yes, I did.

Q Where were you when you watched the speech?

A In Admiral Poindexter's office.

Q Was anyone else there?

A Yes, Admiral Poindexter; Colonel North was there; Mr. McFarlane was there; Dan Howard from the press office was there. Paul Thompson was probably there. A group of us sat in the Admiral's office and watched it.

Q Was there a general reaction among you to the speech?

A I must confess we were reasonably upbeat with it. Maybe it was unjustified in the aftermath.

Q History may have --

A I don't know what that does speaking for our judgment. But you have to remember that we were frustrated with not being able to say anything publicly. We did feel like we had a good story, and it was more policy basis there dating back to May, June, July, as I was learning it, than anyone had been aware of, and that we were laying out that policy basis.

Moreover, we thought there were things that had been accomplished that people -- we were trying to point out that people hadn't been aware of. So, in fact, heretofore there was no mention of any policy basis at all in the press and the press reporting. It had all been portrayed as a simple arms-for-hostages deal. This was our first opportunity to say, "That is not exactly right. There was a strategic objective here."

We thought, frankly, the first reactions to members of Congress and others were a recognition there was a strategic objective, but arms was the wrong way to do it, etc.

So, we were -- I guess reasonably positive about the speech.

Q I understand that.

(Discussion off the record.)

BY MR. EGGLESTON:

Q It is my understanding Admiral Poindexter briefed reporters on kind of a background basis on the 13th, as well; is that your recollection?

A He did brief reporters on a background basis. I can't tell you for sure if it was the 13th. It was around the 12th or 13th time frame. It was around when the President made his address. It probably was the 13th. That was the date of the address, as I remember it.

Q Did you attend that?

A I did not.

Q By the 13th -- let me ask the question this way, first. Essentially, at least as the way the Tower Commission reports, there seems to be some sort of transcript of that briefing. Admiral Poindexter denied there had been any sort of involvement in arms transactions prior to the time the finding was signed.

In retrospect, that turns out not to be true, at least as to the November 1985 transaction. Had this November 1985 issue begun to arise by the 13th?

You indicate as of the 10th you thought that had sort of fallen by the -- or hadn't been raised?

A I don't think so.

Frankly, I think it all came up after the speech. I think it came up, frankly, near the time of the press conference. In fact, maybe even after the press conference.

But with respect to the Admiral's briefing, I wasn't there, as I indicated. I did hear about it afterwards. In fact, I got a copy of it afterwards. Quite frankly, I don't think I ever got a chance to read the whole thing because events were unfolding very quickly.

But here is my understanding of what he actually said. Initially, he gave the impression that no, nothing happened in 1985. Then I think he went back and said, well, someone else asked him a question that triggered his recollection of what he had said previously in the transcript.

He said, "I better go back to that question," or something to that effect. I can't tell you verbatim. This is my recollection.

I tried to put it in a different context. What I believe he was referring to there was the -- again, that August or September shipment and saying that, geez, there was a third party that was involved in August-September, and we did condone that with the -- and there was confusion, frankly, from our own press people about what he was saying, what John was saying.

But certainly, my understanding from John of what his intent was, was to say that that shipment happened and we ultimately condoned it after the fact and once we learned about it.

And hence, the more accurate thing to say about 1985 was that there was something that happened there and we ultimately condoned it and not leave the impression that we never acquiesced in anything that went on in August or September of 1985, or 1985.

So, I think he went back to that question. In fact, I know he went back to that question in that briefing.

Q Racing ahead, but -- let me get back to these days anyway. Racing ahead to the President's press conference on the 19th, he actually -- as is now fairly well known -- indicated there was no third country involved. A subsequent statement had to be released. (U) Was there discussion -- it seems to me that Admiral Poindexter's remarks on the 13th are perhaps reflective of some desire to keep Israel's name out of this.

A Oh, yes.

Q Was there a concerted effort to keep their name out of it?

A Absolutely. There was a quite conscious decision to not let Israel's name be associated with the action in public.

Again, there was the -- there was a decision properly to brief the intelligence committees in full and the leadership. Those briefings, in those briefings, Israel's name was brought up. That was in a classified setting. There was a very conscious decision not to mention Israel's name in public. But that wasn't intended to translate into an intent to mislead or, in fact, to misstate the President's -- the President certainly knew Israel was involved, a third country was involved, and it was Israel.

We talked about that many times, including the 10th meeting. Obviously, he knew about it before, dating back to 1985.

Q Well, there must have been discussions about how you could have a press conference and how you could deal with -- respond in a candid way to the press without revealing the role of one of the major actors in the whole transaction.

A There were, indeed. Again, to try to put things in context, it is difficult, as it is now with everything that has unfolded since then. We were dealing with a covert action. You have to decide, all right, what can you say about a covert action and attempt to say as much as you can to explain the basis of your policy and hopefully get people to understand it while not saying things that will jeapordize the initiative or the people involved?

So, there are certain things that you conclude you are just going to have to say, "I can't comment" on. The third country -- and Israeli involvement was one of those -- it was a conscious decision in preparation for the press conference that if the President got a question on third country involvement or Israeli shipments, what we approved, what we didn't, that the response was going to be that, "We can't comment on third country involvement; there are certain aspects of the specifics of the initiative we just can't get into because of concern for protecting the people involved and so forth."

So, that was the intent. Now, it didn't translate, obviously, exactly into that with the President's statement, but that is what he -- based on our discussions with him, in preparation for the press conference, that is what he had intended to do.

I don't think the President intended to mislead with that statement. You can't put yourself in anyone else's mind or body, obviously, but that is what we agreed on going in, and everybody was comfortable that that was the proper way to handle difficult areas where you could essentially compromise the initiative, simply used standard procedure, the "no comment".

So, I think there were two things that sort of -- in the dynamics of a press conference, this one was particularly dynamic, that happened. One was that -- at least the first time it was brought up -- and I have to go back and look at the transcript. My recollection is -- and I was watching the press conference. The first time it was brought up, it was brought up in the context of a number of Israeli shipments, not just the August-September.

"Mr. President, there was a September shipment and then there was a shipment of F-4 parts, and there were a number of Israeli -- isn't it true that we actually condoned more than what you are saying now because we agreed to Israeli shipments?"

The answer to that was properly "no". Certainly that is my understanding, it was no, because our attempt in laying out the facts was to lay out everything that we had agreed to, either by condoning, before the fact, after the fact, or by authorizing and making sure that we accounted for those shipments.

So, our intent was that everything we said that we had shipped was concluded -- it was included.

So, if -- one of the questions seemed to be leading to the conclusion that, geez, well, you are being cute, because you are saying this is all we authorized, but yet this other stuff was going on and you were allowing it to happen.

The answer to that, certainly to my knowledge, and to my knowledge today, was no. So, I think the President got caught up in that -- trying to properly say no, we didn't -- everything we authorized we are talking about, and also trying not to confirm that the third party involved was Israel.

Q By the 19th, were you aware that the United States had a substantial involvement in the November transaction?

A By the 19th?

Q Yes, by the time of the press conference.

A Gee, again, I don't think so. Frankly, I think -- and this -- part of the difficulty was the difficulty getting all the facts out. As the Tower Commission reported, as they put it, they could attest to, because of inadequate records and perhaps you can attest to it --

Q Yes, I can.

A -- it was terribly difficult putting down all the facts and getting them all together.

So, perhaps unacceptable as this may seem, we were still in the process of laying out the facts, although certainly I was operating on the assumption that we had accounted for everything in terms of transaction of arms.

But I don't believe the November shipment had come up at this point. It may have, but if it did come up, it was in the context of something that wasn't counted because it was a shipment that went over and went back, as ultimately happened.

But --

Q I am sorry. Would you say that again? I just lost it. Did you indicate that you, as of the 19th, knew there had been a shipment but also knew it had ultimately been returned?

A No. I don't recall it coming up, the November shipment coming up at this point. What I said is if it did come up, it came up in the context of it being a shipment that went over and went back and, hence, wasn't one that was scored as a shipment of arms.

But the controversy on it certainly didn't come up until after the press conference. The controversy was this: was it, geez, did we know that was a shipment of arms before it went over or not?

Q Right.

A Now, that controversy after the press conference, it certainly came up there was a November shipment.

Q Right.

A It came up in the context of the Israelis shipped something, we found out about it, and we helped get it back. It was that sort of context.

Q Who was it who was telling that version of the November 1985?

A Colonel North principally was telling that. He was the one who had the most corporate memory at this point.

Q Did he tell that directly to you?

A Not so much directly to me, but he certainly said that in some of the meetings that I was in and out of.

Q But you think they were -- it is your recollection that those were after the President's press conference?

A The most extensive discussion of that certainly came afterwards. As I said, I don't remember it being discussed before, but if it did, it came up in the context of something going, something coming back, not being scored.

The night of the press conference, after the press conference, in fact, it is my first -- that is my first vivid memory of that November shipment. That is when we were trying to lay down on a piece of paper, by damn, what were the shipments, what did we know about, so we could make damned sure we were saying the right thing because of the controversy of what the President had -- the interpretation of what the President said at the press conference.

So, in the context of that, Colonel North put down on a piece of paper these events. I believe on that piece of paper the November shipment was there. It went over -- identified as something going over, coming back, that wasn't authorized.

Q Was it --

A Now, that is my recollection.

Q But it was identified at that time as weapons, not as oil drilling equipment or something else?

A Well, it was identified as something that went over, and we didn't know about. When we found out about it, we brought back. All the way up until right before the time that John was going to brief the Congressional intelligence committees, the Senate and the House, which was Friday, the 21st, I believe, until like Thursday evening, before that, my impression was that was exactly what happened, is that we found out that the Israeli shipment went over in November. We found out it was arms -- well, we found out it was arms. We helped get it back.

But certainly, the chronology that by this time had been produced had indicated that we helped or Ollie helped, apparently, get a plane for it, and did it on the basis it was oil drilling equipment.

I never really focused on the oil drilling equipment until it became a controversy in, like, the evening before the Friday briefing, Thursday before the Friday briefing to the intelligence committees.

But by this time, I was aware that we -- Ollie apparently had arranged for a plane and done it on the basis of oil drilling equipment. I had no reason to challenge that.

Then we found out it was HAWK missiles, and once that was found out, we went and got it, got the missiles back or helped participate in getting them back.

Then on Thursday evening, I went into Admiral Poindexter's office. I am completely sure it was Thursday evening. He was in there chatting with Paul Thompson, reviewing the version of the chronology there.

Q This would have been Thursday the 20th?

A I believe so, yes, in anticipation of him briefing the intelligence committees the next morning.

The discussion then was about the November shipment, and that, in essence, there was confusion over whether or not -- what we did know about that November shipment and whether we knew beforehand if it was HAWK missiles or not, whether we knew that it really wasn't oil drilling equipment.

John was relaying and Paul relaying this to me -- geez, we are really not quite sure now of what this November -- what was really known in this November time frame.

My reaction to that was, geez, if you are not sure, you better sure as hell say you are not sure when you brief these committees. Don't say something you are not sure of and then be held accountable for it later.

They both readily agreed. In fact, my impression was they had come to that exact same conclusion that, you know, we better indicate that we are still trying to find the facts out.

In fact, I did not attend those two briefings that next morning. My understanding is that that is exactly what John told the committees when he briefed them. He said, "Look, as far as this November event, we are still trying to figure out the facts of what went on there and what we knew at the time, and that process is still going on. That is certainly what he intended to tell them. My understanding is that is what he told them.

Q When is the first that you learned there was a possibility that there had been a diversion of the arms money?

A On the morning that it was announced by Attorney General Meese, which was --

Q The 25th?

A Tuesday, the 25th.

Q You did not know it prior to that time?

A I had no knowledge of it. It never was discussed in any meetings that I was in.

Q Let me just make sure that I have this. I sort of have been racing around.

Mr. -- I covered the evening of the 13th. I take it between the 13th of November and the 19th of November there is continued work on the chronology in order to get the chronology in sort of a final form?

A Well, I can't tell you exactly when the chronology work began, again, in the context of you talking about chronology here.

Q Right.

A The principal effort was crashing to put a speech together, then crashing to get prepared for the press conference.

This parallel, of course, with this was preparing cables to send to the allies so we could at the same time explain to them our policy basis of our actions. This is going on in parallel with these events.

As I mentioned previously, it wasn't really until we had to sit down and go through the briefings of Admiral Poindexter with the intelligence committees and the testimony of Casey that the more concerted and focused effort of, by damn, let's lay all the facts out. Part of this was also due to frustration, of the inability to get the facts out -- frankly, having some facts that were proven to be not quite right.

For example, the first time that we briefed leadership, we thought there were only 1,000 TOWs involved. When Ollie went back and checked his -- whatever records he had, he said, "Oh, my God, there is 2,000."

We couldn't afford those kinds of embarrassments, needless to say. We had to have the facts right. It was part of an effort to make sure we ~~layed~~ laid all the facts down once and for all.

So, I can't -- but when this -- it was more like the weekend before the week that we testified that -- or the weekend after the press conference that the concerted effort principally being staffed by Colonel North was put together to put together the chronology.

Q Did there -- was there a -- any concern -- by this time you must have known Colonel North had been involved in the entire operation since at least the fall of 1985.

Was there any concern that perhaps you weren't getting the truth from Colonel North?

A No, not really.

I certainly was never under the impression that anyone was not telling the facts as they were. There was a concern that we didn't -- that there weren't good records. There was concern that, frankly, there was a little sloppiness and carelessness. One example was 2,000 instead of 1,000 TOWs. We caught that before our public statements and before the speech.

So, there was that kind of concern, but not any concern or impression, certainly, on my part that people weren't being forthcoming.

Q Mr. McFarlane has testified, and it is reported in the Tower Commission that he had a conversation with Admiral Poindexter which I think he places either on the night of the 18th or the morning of the 19th. Have you read the Tower Commission report?

A I have read most of it, yes.

Q And he reports that you were present, and he specifically names you as a witness to a conversation.

A Yes.

Q Do you recall -- do you recall reading that in the Tower Commission report?

A Yes, it is in the appendix which contains Mr. McFarlane's testimony, appendix D. I have read that.

Q Did such a conversation take place, to your knowledge?

A No.

Q With you present?

A No, it didn't. There certainly was no conversation on the morning of the 19th. That is my interpretation of what Mr. McFarlane said also, which would have been, I believe, the day of the press conference. There was no such conversation in my presence at any time that -- where I had the impression that Mr. McFarlane was saying, "Well, you realize there is -- that we are distancing the President; our purpose is distancing the President," which is the essence of what I read in that.

At no time did I have that impression, and at no time was I witness to any conversation to that effect.

I think -- I must confess, I am a little bewildered, I guess is the best description, of Mr. McFarlane's testimony there, because that is the first time I have known that he thought that there was any concerted effort to distance the President or to in any way mislead, because that certainly was not the impression I was operating under, and certainly no direction I had ever been given and no direction I was ever aware of to that effect.

I think, to Mr. McFarlane's credit, I think he may have that confused with a meeting that -- which did take place, but was a week before, involving the speech preparation, not the press conference preparation or the chronology preparation.

In effect, that goes to his reference to a November 18th meeting, too, where he said there was -- described an effort where there were people sitting around a table and pieces of paper all over the table and named a number of people there, and then in response to a question by Mr. McFarlane's attorney, said, was Al Keel there? Bud said something to the effect, not initially, but in and out.

It turns out I wasn't at that meeting, either, if there was a meeting on the 18th involved in putting together chronologies. I can't even tell you if there was such a meeting. I can certainly tell you I wasn't there.

I think what Mr. McFarlane perhaps has done is confuse both those events with events that did take place a week earlier, the week we were putting together the speech. Very similar events happened that week -- namely, the night before the speech when we were busily, feverishly, trying to put together a draft speech, I was told that there was -- I was -- in part, my role was trying to make sure that things were being done on a timely basis, that we met timelines and deadlines, because we sure had a date certain to go before the public. We had to have the story.

So, in that context, I was told -- in asking where in the heck things stood, where are we with the draft speech, there was a meeting going on in Colonel North's office. It was the night of November 12th, and date before the speech. So, I went over and stuck my head into that meeting some time late in the evening. I can't tell you exactly what time, but it was nine-ish, that sort of time frame that evening.

Mr. McFarlane was there. But the effort involved -- and, in fact, Colonel North was there; Colonel Earl was there; Commander Coy was there; Howard Teicher was there, a couple of secretaries. So, it was essentially the scene that Mr. McFarlane described, but the effort was putting together the speech, and there were draft speeches there and not the chronology.

In fact, to my knowledge, there was no chronology effort ongoing there. If it was, I was unaware of it. This was very concerted, focused effort to put together the speech, which was 24 hours from timeline.

Q Well --

A Mr. McFarlane, in fact, was there typing out on the word processor a draft version that he was proposing as a speech to put things in a geostrategic context.

Now, the very next morning, the morning of the speech, Mr. McFarlane did come in to Admiral Poindexter's office, basically stuck his head in in a meeting -- or it was just John and I, actually. We all stood up, so there was that stand-up conversation that morning. But that was an innocuous conversation, basically sort of statements to the effect of, "What do you think of the draft? How did you like the draft," etc.

And to my recollection, there was no discussion of chronologies there. Certainly there was no discussion of any chronology or any attempt to distance the President. This was all a week before.

Q You don't recall, then, ever participating in a discussion that involved Mr. McFarlane where Mr. McFarlane indicated that he thought that the story -- whether it was in the chronology or speech form that was being put out -- was incorrect because the President had, in fact, approved the earlier transactions, the August-September transaction?

A Absolutely not.

In fact, my impression was that we were relying exclusively on Mr. McFarlane for those events, because he was there during those events. He was there at the onset. He was the only closest thing to a staff officer, if you will, who was involved.

My understanding, in fact, still to this day, is Admiral Poindexter wasn't involved at that point. We had to rely on Mr. McFarlane for those events. Certainly everything I saw as far as his inputs were -- "his" being Mr. McFarlane's -- were consistent with that version.

My impression was we were relying on his recollection for our recounting of those events. That is why it was a surprise, as I mentioned previously, when he testified differently.

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Q You indicated that you watched the press conference then with Admiral Poindexter? I am sorry. Let me ask it affirmatively.

Where did you watch the press conference?

A I walked over to the first floor of the residence along with Admiral Poindexter and the Chief of Staff and Dennis Thomas, other White House officials, David Schue, Al Penan, the White House officials, and watched -- as is traditional -- watched the press conference on a closed circuit video just outside the State Room where the press conference is held.

Q When the press conference was over, were you part of the decision to issue a subsequent statement?

A Well, I wasn't so much part of the decision, as being aware of the decision. Obviously, we -- as we were watching it unfold, we realized that there was -- the risk of misinterpreting what the President was saying.

Looking back over the record, it is pretty clear that misinterpretation was possible. But it was principally a decision by Admiral Poindexter and Mr. Regan that, geez, we can't afford to leave a statement out there that people are going to contend later was a mis-statement.

So my impression was certainly that the motives were quite pure, there is a risk of misinterpretation, let's make damned sure we clarify the record.

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Q To your knowledge, was Colonel North consulted prior to the time that the statement was released?

A Not to my knowledge. Well, not to my knowledge as far as -- everybody realized, as I said before, that the Israelis were involved.

So there was no confusion over there. Certainly the President realized that. So our only concern was that, geez, let's not leave an impression out there that we are saying something that is not true.

It wasn't a matter of suddenly finding out after the press conference that what had been said wasn't right.

Q Let me -- let me not do that.

On the morning of -- so the 20th, was anyone briefed on the 20th? Was there any -- were there any activities on the 20th?

I know the 21st is where Casey testifies before the Intelligence Committee. I think Admiral Poindexter does a briefing at the White House. Do any events take place on the 20th?

This would be Thursday.

A Well, I can't recall specifically. There was no meeting, there was no -- no event such as calling together the President's National Security Advisers, for example. Nothing of that magnitude. There were undoubtedly a number of internal White House meetings that took place, including looking at, geez, how did the press conference -- how did we do in the press conference, where do we go from here, that kind of thing.

Q Did you participate in the preparations of Mr. Casey for his testimony the following day?

A I did not.

Q Do you know whether Colonel North did?

A I am sure that he did, because again he was the closest thing to an integral link over this whole time frame that we had. Bud McFarlane was no longer there and hadn't been involved since December or so except for the May trip to my knowledge. Admiral Poindexter was not involved in the beginning.

Q I have just been reminded there were reports at least that Secretary Shultz on the evening of the press conference or at the very least on the 20th, the day after the press conference, had indicated disagreement with the statements that were made during the course of the press conference or at least with the way the story was unfolding.

Do you recall those events taking place?

A No, I don't. To my knowledge, he didn't take issue with what was said in the press conference or anything that had transpired to that date.

Now, I am aware now that at least there are press reports -- and I don't know -- I can't tell you if they are

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accurate, that he had concern over the chronology that was being put together and the preparing of the testimony. Probably, the State Department was ~~being~~ circulat~~ed~~ing this thing to make damned sure their recollection was consistent with what was being said.

There was an attempt to make sure everybody was onboard with basically the facts and that we had all the facts right.

Now, I have seen since that time, that apparently the 20th or so that he said, well, golly, gee whiz, this November event is not right. But I wasn't aware that he raised an issue with that.

He could have. I assume if he is saying he did, he did. I wasn't aware that he had raised that. I did become aware, as I told you previously, later that day myself that John was concerned about exactly what we did know about the November transaction.

Q Did you tell me that you had or had not attended Admiral Poindexter's briefings which took place on the 21st?

A I did not. Briefings to the Intelligence Committees?

Q To the Intelligence Committees.

A I did not.

Q There comes a time, I take it, when there is a decision made to bring Attorney General Meese in to conduct some sort of investigation?

A Yes.

Q Do you know when that took place, when the decision was made?

A No. Again, that was actually another decision I wasn't aware of and found out after the fact. I didn't realize he had been brought in and I surely didn't realize there was anything that would -- was tantamount to an investigation.

Sometime over the weekend, or thereabouts, over that weekend after the Thursday,the 21st -- Thursday, the 20th, Friday the 21st, I believe it was that weekend that I learned that Attorney General Meese was helping trying to figure out the facts associated with that November event, because, as I said, that had become an issue of doubt on like the Thursday evening.

At least, that is when I was aware it was an issue of doubt. So I believe sometime over that weekend, I was aware that he was -- he, the Attorney General, was trying to help find out exactly what happened with respect to that event. I didn't view it as an investigation. I wasn't conscious of any decision prior to that, or any White House meetings prior to that where he was told to go find out the facts.

I just assumed that he, from -- as the President's principal legal advisor, was making damned sure that we knew what happened in the November time frame and was helping to put together all the facts there.

Q Were you aware that the people from the Attorney General's Office had looked through Colonel North's files on Saturday, November 22nd?

A No. I don't think I became aware of that until Tuesday morning when John indicated to me for the first time that he was going to resign, which was a shock to me.

As I said, sometime over the weekend, I became aware that the Attorney General was talking to the various people to see if he could put together the facts associated with that November business. That was the only thing that I was aware of that was an issue.

But I didn't realize it was a matter of going through files and so forth, at least I don't have any recollection of them going through all these files or anyone's files until Tuesday morning.

On Tuesday morning, I came in, normally like 7:15 in the morning.

The practice usually was John and I went down to our NSC staff meeting at 7:30. John hadn't arrived, which was unusual. So the front office told me that he just simply was going to be late and that he wanted me to go ahead and chair the 7:30, which wasn't that unusual. Often I would go chair that.

After 7:30, which normally lasted a half-an-hour, a little after 8:00, I came back up and stuck my head in John's office. He was back then.

In fact, he was in with Paul Thomson eating cereal for breakfast. Sat down and just started chatting.

And then he simply turned to me and said, Al, I am submitting my resignation. I just was shocked. After the shock subsided, I became quite numb, realized that, my god, what does all this mean? He said that he had just left the Attorney General's Office, that is where he was -- that is the first time I knew he was over with the Attorney General.

The Attorney General had determined that Ollie was diverting funds or attempting at least to divert funds to the contras. My reaction was "what", exclamation mark.

And he said, yes, he said I wasn't aware of it, or wasn't aware of the details of it, but I had some suspicion. So I have -- after talking with Ed Meese, decided the best thing to do is resign.

As I said, I just -- my -- I guess the best description of my reaction was just numbness.

That is the first time -- then he told me that the Attorney General discovered this through a memo that -- a draft memo that was undated and unsigned that had reference to a certain amount of funds being diverted to the contras and that he had found those in Ollie's files.

That was the first real recollection that I have of the fact that the Attorney General or his people did actually go through Ollie's files.

Q Let me just make sure that when he indicated to you that the Attorney General had determined that Colonel North had been involved in either diverting or attempting to divert funds to the contras, did he indicate it was to divert funds from the Iranian arms sales to the contras?

A Yes.

Q I just want to make sure I understand. Your testimony is he said he was not aware of the details, but he had some suspicion?

A That is what Admiral Poindexter told me, yes. That is consistent, I believe, with what he told the Attorney General.

Q Did you have -- what did you say to him after this revelation that must have been somewhat of a shock to you?

A Exactly that. My first reaction was "what!", "my god". And -- you know, sort of "I can't believe this". I mean it was a very -- it was a numbing, sad moment. Here a man that I had a lot of respect for was stepping down. That was -- my overall reaction was disbelief.

I didn't ask him a whole series of questions, needless to say. Your first reaction when you hear something like that is not to try to interrogate someone.

Q Did you have any indication he thought he personally might have a criminal problem?

A No. In fact, the opposite. In the course of our discussion, either then or later in the day, he said, look, you know, I think when all the facts come out, that there is nothing illegal that has been done, Ollie hasn't don't anything illegal.

My very strong impression was that at least from what John thought he knew or thought had been done, that he thought it was all quite legal.

Q Did you ever talk to Colonel North about this potential diversion, attempted diversion, diversion, whatever?

A No. I didn't see Ollie after that point. I made one phone call to Ollie later that day, after Attorney General Meese's announcement and after -- I first learned that Ollie was -- John told me that Ollie was resigning also, I believe. I am not quite sure he mentioned that. He told me he was resigning.

But -- or I could have learned for the first time that Ollie was resigning when I attended the eleven o'clock congressional briefing. That is when I got my briefing also of what the Attorney General knew. At the same time as members of Congress did at around eleven that morning.

That may have been the first time I learned about Ollie resigning. At that point it was put as resigning. It wasn't until the President made his announcement that I realized that he had been dismissed or re-assigned.

Q Did you -- go ahead. I am sorry.

A Later, after that event, as I said, I learned I was acting, which was sort of an obvious step to make, but no one had really said, Al, you are acting. The Attorney General announced it on CNN.

So, I was sitting watching that press conference. We discussed what we ought to do now concerning the graveness of what we had just found out, the gravity of what we had just found out.

It was -- Rod McDaniel was in my office. Our press person -- let me go off the record for a second.

(Discussion off the record.)

THE WITNESS: Our press person, Paul, was in for part of that. I think Paul Thomson may have been in for part of that. As we were watching the press conference.

But as soon as we realized the gravity of what happened, we decided, geez, there are a couple of things that actually we need to take and make quick decisions on. One was making sure we properly secure Colonel North's area, which was done that day, in terms of no one being able to get in and out without an escort. So our security people

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at NSC made sure that that was done in conjunction with the Justice people.

In addition, I asked that a draft memo for me to sign be prepared, that I could get the President's approval for, that would have me at his direction direct that there would be no further NSC involvement in operational activities of any secret or sensitive diplomatic missions, intelligence missions, or military operations until the further director or until after the Tower Report, the Tower review board reported out with their recommendations.

Any such activities were to be refrained from.

Ultimately, the President did concur in that when I had a chance to talk with him about it at Santa Barbara. I issued that on the following Saturday.

Q Was there any thought given to sealing Admiral Poindexter's office?

A That wasn't discussed directly in that meeting. I think -- my understanding was that was part of the sort of routine procedures that were followed immediately afterwards. I can't tell you for sure whether that was specifically --

Q It was my understanding his office was not sealed and that he was permitted -- and my understanding may be incorrect, but his office was not sealed and, indeed, he was permitted to go in and out of his office.

A He was certainly permitted to go in his office.

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CAS-12 I guess I assumed that was with escort in essence. That may be wrong.

Q It was your understanding at least that his office was going to be treated the same as North's?

A The specific discussion we had was with respect to Colonel North's office. He was the one that appeared to have been involved in this, the attempted diversion, where he had the records.

At this point, at least our impression was John's involvement was much more tangential. The focus of our attention was certainly Colonel North's office. In the sense that John also had records, I just assumed, I guess, perhaps, after the fact, that I knew he was going into his office to get his personal effects and so forth.

I assumed there was some monitoring of that also. It wasn't discussed.

Q Let me -- I am sort of basically done. I have a few follow-up questions and I will be done.

I want to focus on some questions about your knowledge about what Colonel North was doing with regard to the contras.

I think probably the easiest way to do it is ask you about specific events that took place and whether or not you were aware of them at the time they were taking place on or about November -- excuse me -- September 9 of 1986, there is

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a PROF memo which I think is North to Poindexter which reflects that North had learned that President Arias of Costa Rica planned to reveal the fact there was an air strip down there being used in the contra re-supply operation.

He had indicated he had called Arias and he thought maybe he had gone a little overboard, but it was important to keep it quiet and various things like that. Were you aware of that general event at or about the time it took place?

A Well, I am not -- to my knowledge, I didn't see the PROF note. I assume it was one that went directly to Admiral Poindexter.

I was peripherally aware of the fact that there was concern about disclosure of the air field. I wasn't aware of exactly what actions were taken. I wasn't in the decision loop in terms of deciding what was -- what action to take or reporting loop for that matter in terms of what was done.

Q What did you know about the air strip?

A I knew nothing about it. The first time I ever heard of it was in this context.

Q Did you have a conversation with Admiral Poindexter about this air strip?

A No.

Q Or Colonel North about the air strip?

A No, I did not.

Q Did you have any understanding about what it was about the air strip that was causing people concern?

A Well, I guess I had an impression that it had to do with our -- with efforts to support the contras and that disclosure of it could -- could cause embarrassment to the Central American governments involved down there.

So I didn't have any impression there was anything illegal involved whatsoever, that it was a matter of just causing political embarrassment.

Q Did you -- were you at this time -- this would have been only a week or so after you had arrived, I guess just about exactly a week after you arrived, were you generally aware that one of Colonel North's accounts,or whatever, at the NSC involved the contras?

A I didn't realize Colonel North had any accounts. I had no knowledge. The first reference I had ever heard of accounts or Swiss banks was the press conference of Attorney General Meese.

Q I am sorry. I used "accounts" in the wrong way. I meant one of the areas of his responsibility was the contras?

A No. No. Of course, I knew he was involved in the contra effort. And the Administration efforts to support the contras.

Q Did the subsequent Tower Board Report, it reflects a lot of different PROF memos back and forth about Project Democracy, airplanes, this sort of thing. Were you aware there was this general operation going on down in Central America that was providing military support?

A No. I didn't see any of those PROF notes. Certainly, not to my recollection. I assumed all of them took place before I got there and was not aware, aside from that, I wasn't aware of any operational aspects and planes. It was my understanding of Project Democracy, it was the Project Democracy associated with the National Endowment for Democracy. I assumed that.

Q You weren't aware there was another one that was apparently being run by Colonel North?

A I was not aware of that.

Q On October 5th, an airplane containing Eugene Hasenfus, as well as some other people, was shot down in Nicaragua. Obviously there was a lot of hoopla thereafter. Do you recall discussing the fact of the shoot-down with Colonel North? Did you have any conversations with him about it?

A I am sure there must have been conversations with Colonel North about it, as well as others. Principally, in the context of, gee, there is a plane that has gone down there, there is press reports on it, there are implications, contentions, assertions about U.S. Government involvement, are we involved. So we had to obviously respond to that. So it was in the context of, gee, do we know anything about this guy? Is he in any way connected? Has he ever been connected? Is there any Government involvement? In those contexts, I am sure I raised it along with John, with Ollie, to make damn sure we could accurately say there was no Government involvement with Hasenfus, as well as with Ray Burkhart, who was also involved in Central America.

Q Do you recall Ollie's response?

A In fact -- I am not quite sure, but I think I may have called Clair George at the CIA and said, look, it may not have been this, it may be some other event, but -- may have been the Sam Hall event or some others, in one of the instances where someone was arrested down there to say, look, let's make damned sure this guy -- I want to know has -- does he have any involvement, has he ever been employed? Has he ever been a contractor, et cetera, for the CIA?

Q Do you recall what North said to you when you asked him about Hasenfus?

A I don't recall specifically what North or anyone in particular said, but I know that what we were being told is that Hasenfus had no involvement with the U.S. Government and that we had no involvement in that operation. That is

CAS-17 the position that we took. To my -- to this day, I assume 'his is accurate.

Q I am basically done here. I was just curious. There was a transfer of TOW missiles in late October 1986.

A Right.

Q Were you aware of that as of the time it took place?

A I was aware that beginning sometime in October -- by this time I had learned that there was efforts ongoing to open up channels with the Iranians and that part of our objective, in addition to looking beyond the Ayatollah, for what kind of regime would be there, for, in fact, trying to win the release of the hostages, needless to say, and removing them, as it was put often, removing them as an object of strategic relations.

I became aware of that. In the course of October sometime, I became aware that -- in fact, the President approved an agreement to sell 500 TOW missiles to Iran and that the Israelis -- Israel was involved as sort of a conduit for this shipment.

I wasn't involved -- I wasn't aware of exactly how it was being implemented and how things were moving. Certainly I wasn't aware of dollars involved and so forth. I was aware of the decision to authorize the sale of 500 TOW missiles.

Q Were you aware that Mr. Secord was -- had a heavy involvement in the actual mechanics of the arms deliveries to the receipt of the hostages?

A My impression of Mr. Secord's involvement, as I said previously, I learned he was -- that he was involved with the Iranian connection. But my impression was that he was basically part of the group that was meeting with the Iranians to basically hold these discussions with them. I was not aware of his role in terms of moving arms and facilitating movement of arms.

Q Were you ever briefed on the way the financings for, say, the February TOW shipment, February of 1986 TOW shipment had taken place with the use of an intermediary and various accounts?

A No. In fact, I am not sure I was aware of the February shipment until very late. I was never briefed on the mechanics and specifics of the financial transaction. It did come up in the course of conversations, again, this sort of first two or three weeks in November time frame, as there was a concerted attempt to put together all the facts.

It did come up in sort of a tangential way in the conversations that Ghorbanifar was involved as I knew his involvement was part of the channel one, as it was referred to, but that he was also involved as one of the middle men with some of the money transactions.

So to that extent, you know, I knew there were "middlemen", but I didn't know -- there was never any extensive discussion of exactly how that went.

Q And just sort of two final questions. During the times that you met with the President in September, October, November 1986 -- I guess any time during that period, up until the time you left as the National Security -- Acting National Security Advisor, did he ever say anything to you or in your presence that led you to conclude that he was aware there had been a diversion of Iranian arms money to the contras?

A Absolutely nothing. In fact, to the contrary. Every time that subject came up, the most benign response from the President was a winch in terms of him --

Q This would have been after the November 25th?

A Right, exactly. It never came up as I said previously. In any meetings I was in there was never any discussion of a contra diversion at all, period. After November 25th, when it was revealed that there was apparently this attempt, then the President never indicated any awareness to me and to the contrary, that he was quite unaware and surprised at it.

Q Finally, just a related question. During the times that you met with the President throughout the period of time you were at the NSC, did he ever say anything to you

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or in your presence that led you to conclude he was aware that Oliver North may have been involved in providing military supplies to the contras?

A No. But that never -- the contras never even came up in any connection in any of our meetings until after the November 25th revelation.

MR. EGGLESTON: I have nothing further.

EXAMINATION

BY MR. VAN CLEVE:

Q I have just a few brief questions.

I recognize you are on a tight schedule. I am going to try to move through this fairly rapidly. If at any point you don't understand something I am asking, please stop me and I will try to explain the questions.

Going back to the meeting that you described on November 10, the one described as a principal meeting with the cabinet, the President, Director Casey, concerning the Iran initiative, as I recall your testimony, Admiral Poindexter briefed the meeting on the course of the Iranian initiative. With the exception of the November shipment, I believe your testimony was that he gave a relatively full account of the history of the Iran initiative. Is that a fair description of your testimony?

A Well, the attempt was to go through and relay all the events. I am not sure I would characterize it as a

CAS-21 full account, but the attempt was to tell everything that had transpired and things that had been accomplished. But I can't tell you from recollection whether -- in fact, every event was mentioned.

That is my only qualification. I do know there was no November shipment mentioned.

Q Right. I am not suggesting -- what I am trying to do is just make sure that in my own mind I understand your testimony to sort of set the stage for the questions.

A My point is, for example, I don't recall him mentioning shipment-by-shipment, per se, but more, here is how it began, sort of we found out about the August-September Israeli shipment after the fact. We agreed to that. There was a finding in January. I am not sure that he mentioned the February shipment, if there was a February shipment.

If there was a May shipment, I am not sure there was one. I guess there was sort of an aborted attempt where they at least confiscated parts. I am not sure he mentioned each one of these shipments date-by-date.

Q He did give a fairly full general description?

A The attempt was to give a complete story of what generally had transpired, yes.

Q At any point in the meeting, was there a discussion of the merits of the initiative?

CAS-22 A Of course. There was a very strong view certainly by the President that the policy basis of the initiative was sound and that we needed to, in fact, inform the public of the policy basis and the ~~Present~~ President even mentioned, geez, the interest and need to establish and maintain some kind of contact with the Iranians principally on a covert basis dated back to the previous Administration, to 1979.

Q Was there any dissent from that view?

A Not from the standpoint of the strategic importance. And how this all got started in terms of -- in fact, I think the record is pretty clear, the strategic basis of how it got started. Where it gets grey and quite controversial is what it evolved into. Certainly there is a perception there that it evolved into an integral part of it was an arms for hostages. But throughout the whole -- I must say that throughout the whole discussion, even up until the very last PROF note from Colonel North or so, I hate to say it was the last one, because he wrote a lot, there was still the view that, by damn, there was a vital strategic interest here and that the President some day would get credit for bringing an end to the Iran-Iraq war. There was always that theme.

That was always there. Clearly, there is the-- it is fair to say that the basis of having a -- come to the conclusion, having a perception it was an integral part of, it was arms for hostages.

So there was never any controversy about the strategic objective. There was a view by the Secretary of State, in particular, voiced that, gee, it is going to be -- Mr. President, I understand that -- how you feel and the strength of your views of how we got involved and it was not arms for hostages and how you feel, but I -- my own personal view is that it is going to be -- there will be some of the public who are going to have a different perception.

That is going to be a difficult thing to explain. There was that sort of expression by the Secretary of State.

Q At the November 10 meeting?

A At the November 10 meeting.

Q Was there any other dissent on the merits of the policy?

A Well, again, I wouldn't classify his statements so much as dissent on the merits of the policy. I think he had made his view known and did at that meeting that he didn't agree with the policy and that it -- one of the difficulties is that it did risk this perception that would be difficult to explain.

No one else, no -- even -- at least to my recollection -- well, okay. I guess Secretary Weinberger also mentioned that he -- after Secretary Shultz made his

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statement, that he also concurred that the congressional reaction at least wasn't going to be as favorable as some believed.

There was a very genuine view by a number of the President's advisors, both -- that we had a good story. Once we had the opportunity to tell it -- and the intent was to tell Congress all the story. Once we told all the story to the Intelligence Committees, that they would understand it. Cap dissented from that viewpoint.

He said I think it is probably going to be more difficult for Congress to understand.

Q Was the cabinet told at the November 10 meeting that contacts, as part of this initiative, had continued up to even after the public disclosures?

A Yes. Yes. In fact, I think that weekend there were meetings [illegible] one. Look, again, to put it in context, there was genuine belief that [illegible] channel, this second channel, in particular, was an extraordinary connection to those in Iran who has the means and potential ability to influence events in Iran, to our mutual interest. No one was under any misguided impression they were going to do things that were only in our interest.

But if we could identify things in our mutual interest and convince them that bringing an end to the Iran-Iraq war was in our mutual interest, no winners, no losers, to their stopping supporting terrorism was in our mutual interests, both of those in large part because you get them in a position to get beyond their very grave economic woes.

So there was -- I must confess, there was excitement about the notion that we had the contact with these people like Rafsanjani, the head of their parliament, the speaker of their parliament, to make those gains. So that really was not an issue.

Q Did anyone oppose the concept of making public disclosure, in effect, providing official confirmation of the initiative at this time?

A No one really opposed it. I think John was the most concerned about how much we could say. The only issue that arose for the most part was exactly how much we could say. Now, there was a concern that, gee, if you can't say enough, does that help you or hurt you. So there was that kind of debate.

So it wasn't a matter of not wanting to tell the public and say as much as you can, but it was a matter of how much can we say, and if we can't say enough, does that hurt us?

Q Okay. I believe you testified previously there was a conscious decision at the time of the -- I gather both the speech on November 13th, and at the press conference, not to publicly disclose the role that Israel had played in the Iran initiative?

A That is correct.

Q Could you explain -- this is a classified deposition, as best you can, what the rationale was for that decision?

A Well, like I -- I can explain my understanding of the rationale, although the rationale wasn't discussed in the November 10 meeting, per se. [redacted]

Two, because in essence, at least publicly, the Israelis were an avowed enemy of the Iranians, that if that became a public disclosure, and it was associated with the names of those who were involved in Iran, such as Ransanjani, and more importantly perhaps [redacted] who was the intermediary, that his life could be at risk, if he were identified as someone who was dealing with the Israelies.

The notion was that was slightly worse than dealing with the U.S.

So that was the essence, at least my understanding of the concern about identifying the Israeli connection.

Again, as far as public identity, there was obviously a decision, and appropriately made, that all the details had to be told to the proper authorites in Congress.

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That included the Intelligence Committee, as well as the leadership. They were told about the connection.

Q Were you still employed by the National Security Council when the decision was made to release a copy of Admiral Poindexter's memorandum for the President dated January 17, which contained the background for the briefing on the finding itself?

A No. I am fairly confident it happened after I left. I think it was after January 2nd.

Q Okay.

A Second or third when I left the NSC.

Q During the period November 3 through November 25, 1986, at any time did you hear any discussion connected with the Iran initiative that suggested there was a problem with the pricing of the various weapons shipments?

A None.

Q I believe you testified earlier, but just to check my memory on this, you were not involved in preparing Director Casey for his testimony before Congress?

A I was not. I know -- obviously, as I said before, there was an attempt made to get one set of facts and make sure they were all accurate. So there was a coordination between Director Casey, NSC, Colonel North basically had responsibility for doing that. There was a meeting that Admiral Poindexter had in his office involving all the

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players to go over everybody's recollection of the events. But I did not attend that.

Q Let me just ask one sort of final question which is really in a somewhat different vein than the previous questions, because it doesn't have so much to do with the factual events of the past several months.

Looking back over this period from, say, January 1st, 1986, to the present and the sort of general course of the Iran initiative, is there anything based on your current knowledge of these events that suggests to you that the underlying, sort of geostrategic judgment, that was made by the President and his advisers was in some manner mistaken or, today, if you were asked to advise on that subject, would you take the view that it is appropriate for us to, in effect, move to a sort of normalization of relations with Iran?

A Well, certainly the geostrategic basis is sound. The need to at least look ahead in terms of what Iran is going to be post-Khomeini is terribly important to the U.S. and is obviously in our vital interests that we do so.

One can argue about how one does that. That is where the controversy, needless to say, comes in. There should be no argument about the geostrategic importance of establishing relations with Iran.

There ought to be clear conditions for doing that.

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But, needless to say, to the extent we can influence those conditions, it is going to be determined by the extent we can have contact with those elements within Iran -- I won't try to classify them as moderates, radicals, or give them any labels.

Those elements where there is a greater congruency of view between what is in our mutual interests. So that is important.

[redacted]

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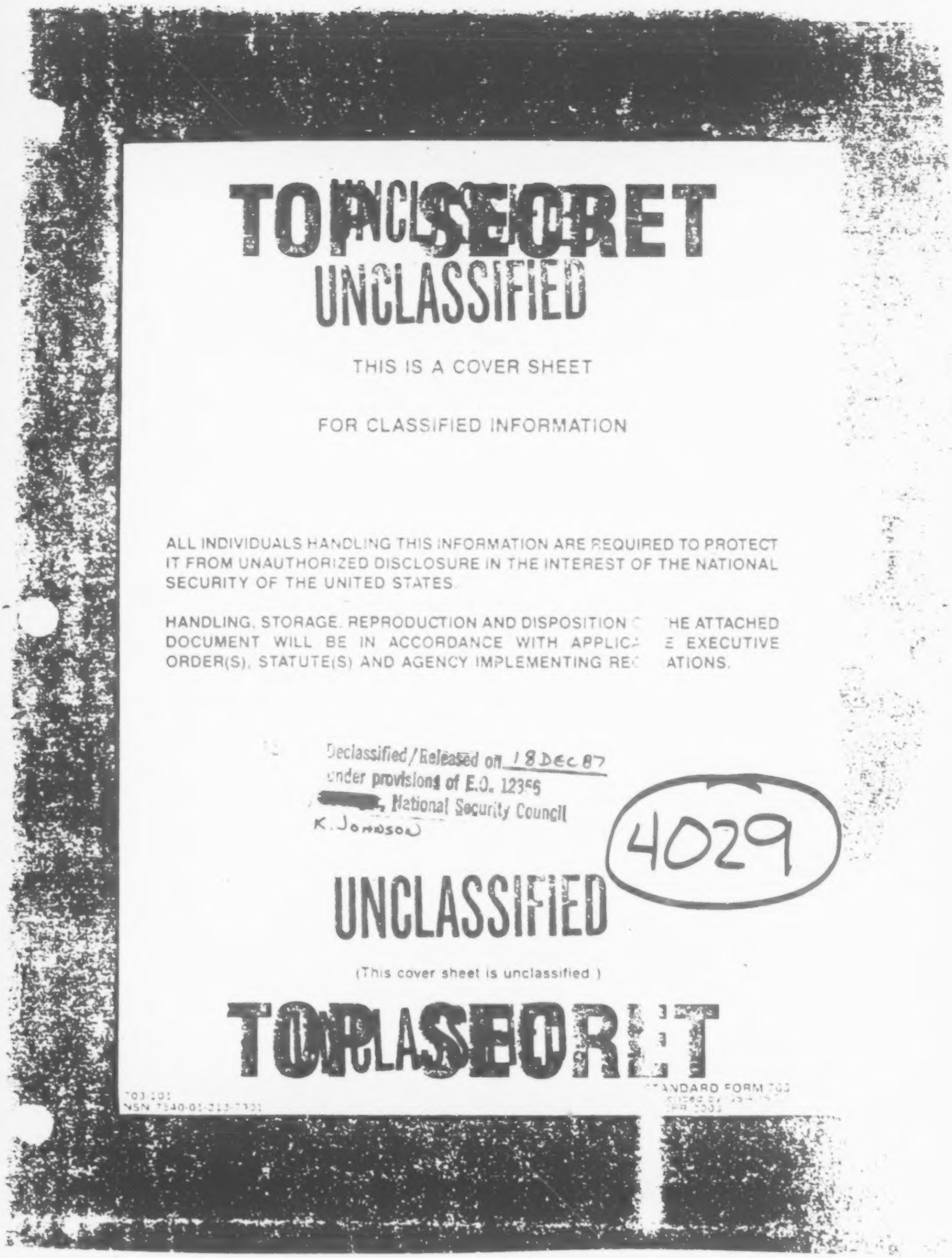
[redacted]

MR. VAN CLEVE: Did you have anything further?

MR. EGGLESTON: No. I have nothing further.

MR. VAN CLEVE: Thank you, Doctor, for your appearance.

(Whereupon, at 11:35 a.m. the deposition was adjourned.)



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DEPOSITION OF
AMBASSADOR ALTON G. KEEL

The deposition hearing convened at 1000 hours, 3 September 1987, in Room 910, the Hart Senate Building, District of Columbia.

PERSONS PRESENT

AMBASSADOR ALTON G. KEEL (Located in Brussels, Belgium)

MR. MARK BELNICK, EXECUTIVE ASSISTANT TO THE CHIEF COUNSEL
UNITED STATES SENATE SELECT COMMITTEE
ON SECRET MILITARY ASSISTANCE TO IRAN
MR. MIKE ALMSTED, COUNSEL TO THE WHITE HOUSE

The deposition was taken via closed circuit telephone. Ambassador Alton G. Keel was in his office at NATO Headquarters, Brussels, Belgium. Mr. Belnick, Mr. Almsted and the reporter were on telephone extensions located in room 910, the Hart Senate Building, District of Columbia.

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MR. BELNICK. Mr. Ambassador?

AMBASSADOR KEEL. Yes.

MR. BELNICK. And Mike?

MR. ALMSTED. Yes, I'm here.

MR. BELNICK. Okay, Mr. Ambassador, this is Mike Almsted who is with the White House Counsel.

MR. ALMSTED. Good day, Mr. Ambassador.

MR. BELNICK. All right, we have a reporter, Mr. Ambassador, on the line, and she will administer the oath. Okay?

AMBASSADOR KEEL. Fine.

REPORTER. Do you swear that the testimony you are about to give in this hearing shall be the truth, the whole truth and nothing but the truth, so help you God?

AMBASSADOR KEEL. Yes, I do.

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MR. BELNICK. Doctor Keel, we're on the record now and the oath has been administered. Doctor Keel, you are currently Ambassador to NATO?

AMBASSADOR KEEL. That is correct.

MR. BELNICK. And you were appointed to the National Security Council staff on September 2, 1986?

AMBASSADOR KEEL. Around or about September 2, yes, that's correct.

MR. BELNICK. At that time you were Acting Deputy National Security Advisor?

AMBASSADOR KEEL. I was appointed as Acting Deputy National Security Advisor, yes.

MR. BELNICK. And you became Acting National Security Advisor on November 25, 1986, when Admiral Poindexter resigned?

AMBASSADOR KEEL. That's correct. I'm not sure I got your full comment there. There was a long pause in between your first question on September 2nd, and then the only thing I heard next

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was November 25th, I was made Acting National Security Advisor. The answer to that is yes, but I'm not sure if you had said anything in between.

MR. BELNICK. I had not, and Mr. Ambassador, just so the record is clear, when the witness said he was having trouble hearing, the record should reflect that this deposition is being taken by overseas telephone. The Ambassador is in Brussels and Mike Almsted and I are in Washington, D.C. That accounts for some of the difficulty. Did you hear that, Mr. Ambassador?

AMBASSADOR KEEL. Yes, I heard that loud and clear. Thanks.

MR. BELNICK. Mr. Ambassador, for how long did you remain Acting National Security Advisor?

AMBASSADOR KEEL. From November 25th, to the date of approximately January 2nd...November 25th of course 1986, until approximately January 2nd, 1987.

MR. BELNICK. Right. Now you were previously examined in this matter by an attorney for the House Committee back on March 18, 1987. Do you recall that?

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AMBASSADOR KEEL. I do in fact recall giving a fairly extensive deposition, yes, to the House Counsel, with the understanding, of course, that it was going to be shared with the Senate.

MR. BELNICK. And it has been shared with us, and I have provided you with a copy of the transcript of that deposition. Right?

AMBASSADOR KEEL. The date on it is in fact March 18th, yes.

MR. BELNICK. Have you had a chance to review that transcript?

AMBASSADOR KEEL. As a matter of fact I have just this morning reviewed that transcript.

MR. BELNICK. Doctor Keel, did you find anything in the transcript that was inaccurate or wrong?

AMBASSADOR KEEL. I don't think so, Mark, except for one possible exception. It may be minor, but it involves the name of a personality. I noticed in reading through it, I believe I responded to a question of where did I watch the President's

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speech and who was there. I think I probably said I was in Admiral Poindexter's office and I named a number of people who were there, but I think I inadvertently said Mr. McFarlane was there, when I meant Mr. McDaniel.

MR. BELNICK. Okay, and that was the speech on November 13, 1986?

AMBASSADOR KEEL. That is correct, so either I was misunderstood or I misspoke; I don't know which, but that is the only thing that I noticed in reading through it once this morning.

MR. BELNICK. Okay, with that correction which is now noted on the record, the remainder of the transcript was accurate?

AMBASSADOR KEEL. That's correct.

MR. BELNICK. Okay, Doctor Keel, you first learned of the diversion on what date?

AMBASSADOR KEEL. That there was a suspicion of a diversion when Admiral Poindexter indicated to me the morning of the 25th, that he in fact was about to resign and it had to do with the fact

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that apparently some money was supposedly diverted to the Contras.

MR. BELNICK, Right, that was November 25, 1986?

AMBASSADOR KEEL. That's correct.

MR. BELNICK. And Admiral Poindexter told you at that time that he was not fully aware of the diversion when it took place?

AMBASSADOR KEEL. He told me to the effect as I remembered it, and as I previously testified, something to the effect that he was vaguely aware but not aware of the details, but had some suspicions that it was happening and I didn't really probe him any further than that. It was, in fact a bit of a sad moment for me for all the obvious reasons, but that is, to paraphrase and characterize, that is in essence what Admiral Poindexter indicated.

MR. BELNICK. Did Admiral Poindexter indicate to you on November 25, who had approved or authorized the diversion?

AMBASSADOR KEEL. No, it didn't specifically come .. The implication of what he said, at least the implication I was left

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with was that no one had any knowledge other than he and he only had a general knowledge as I described it. I never asked if anyone else authorized it, and he didn't indicate anything.

MR. BELNICK. You say the impression you had was that only he had knowledge, but he must have mentioned, as you previously testified, that Colonel North was involved as well. Correct?

AMBASSADOR KEEL. Well, exactly the point...of course, the entire conversation was in the context of it appeared that Colonel North may have diverted some funds.

MR. BELNICK. All right, Doctor Keel, from November 25 until the day you ceased being National Security Advisor, were you present at any conversations with the President when the subject of the diversion was discussed?

AMBASSADOR KEEL. When the discussions came up, it was typically for example in the context of a nine-thirty National Security Briefing that was done daily that I did, it wouldn't have been unusual to have mentioned the state of the Iran investigations and so forth. So, I'm sure in some of those meetings that the diversion and the fact of the diversion came up, etcetera and how much difficulty this was causing, and so on and

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so forth. There wasn't...I mean, I wouldn't characterize any specific meeting where we met to discuss the diversion, but it obviously came up in the course of conversations, I would submit, at a number of meetings. Throughout all of those meetings, I would certainly characterize the President's reaction as one of dismay and surprise, and even a bit of chagrin and perhaps disappointment; obviously disappointment.

MR. BELNICK. Doctor Keel, do you recall any specific comments that the President made about the diversion in your presence at any meetings you attended with him or conversations that you were present at?

AMBASSADOR KEEL. Well, I wouldn't want to attribute any specific words to the President, but more in terms of reaction. Any time it was brought up, his general reaction was one of concern that there was any diversion attempts and that it was certainly a surprise to him, and so forth. But I certainly can't proffer any specific words that would be proper enough to ascribe directly to the President, other than just characterizing his reaction to event.

MR. BELNICK. Doctor Keel, once you became National Security Advisor, I take it that you conducted the daily nine-thirty a.m.

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National Security Briefings with the President. Am I right?

AMBASSADOR KEEL. That is correct.

MR. BELNICK. Was anyone else present at those briefings apart from you and the President?

AMBASSADOR KEEL. Yes, essentially without exception, the Chief of Staff, who at that point was Don Regan and the Vice President was there, and normally Rod McDaniel, who was the Executive Secretary, would attend.

MR. BELNICK. Did anyone make notes of those briefings?

AMBASSADOR KEEL. Routinely, certainly no one from NSC staff made notes of those meetings. That was the practice the entire time I was there, first as Acting Deputy and finally as National Security Advisor. And it was my impression that was the practice before I arrived. The notes that typically were taken were those of action item notes. There was no conscious undertaking to try to transcribe the meetings, no. The Chief of Staff had a habit of jotting notes for his own purposes, but again, obviously he wasn't intended or expected to be the note-taker of those meetings.

MR. BELNICK. One final question on this line, and I respect what you've told me about not wanting to attribute words to the President that you don't recall and I certainly don't want you to do that, but my question is, do you recall generally or specifically, whether in any of the occasions when you heard the President react to the diversion, whether he expressed any view as to the propriety in his view of that activity?

AMBASSADOR KEEL. Well, Mark, I just am not competent enough to answer the question regarding the propriety and the President's reaction because I frankly don't think it was ever brought up in quite that context. It was more an assumption at least that those people were taking for granted that it shouldn't have happened, and it especially shouldn't have happened without the President knowing. So that was certainly the mood, impression that I had throughout those meetings, but I can't say, or I can't attribute any specific remark to the President where either he volunteered or someone brought up, "Do you think, Mr. President, this was a proper action." I think it was just taken for granted that it wasn't, and the clear impression that that was his mood and reaction and so forth.

MR. BELNICK. Fine. Let me move, if I may, to another subject. Doctor Keel, are you familiar with something that has

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been referred to as the "Nine Point Agenda" or the "Hakim Accords." Do you know what I'm referring to when I talk about such a document?

AMBASSADOR. I am vaguely familiar with what had been referred to as "Nine Point Agenda." I don't know it as the "Hakim Accord," if it's one and the same. I became aware of the Nine Point Agenda after....Let me think for a second....Yes, it was after November 25th, after I was Acting National Security Advisor and it was in the context of the State Department and CIA having decided to pursue the contact in part with the Iranians to tell them unequivocally "No more arms sales." Part of what came back from that meeting, and I can't tell you the exact date, but it must have been sometime early December, I can't tell you from memory. Part of what came back from that meeting was that the Iranians had referred to a "Nine Point Agenda." When I heard that from the Secretary of State, I initiated all the NSC staff to an effort to try to find if there was any such agenda, and have my people, the NSC people talk with CIA people and others to see if they were aware of any such agenda. But I don't believe before I left that we actually found any documents on which appeared that agenda. My understanding is that subsequently such documents have been found. That is my general knowledge of what has become known as the "Nine Point Agenda."

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MR. BELNICK. All right, we are talking about the same document. Let me pursue that, if I may, Doctor Keel. The contact with the Iranians that was then in progress as of and after November 25, was contact with people who have become, or person or persons who have become known as the "Second Channel." That's a phrase familiar to you?

AMBASSADOR KEEL. It is, yes.

MR. BELNICK. And of course, just for the record, let me remind again that we are on a secure call and this is a classified deposition and the reporter is "Top Secret" "Code Word" cleared, Doctor Keel, so we can speak freely on this deposition. Do you understand that, sir.

AMBASSADOR KEEL. Yes, I do. That was explained to me before our conversation began, yes.

MR. BELNICK. Okay, thank you. You were aware of discussions involving the White House, the State Department and the CIA subsequent to November 25, about this further meeting that was to take place with the Second Channel. Correct?

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AMBASSADOR KEEL. Well, let me tell you what I was aware of, to make sure there is no misunderstanding.

MR. BELNICK. Fine.

AMBASSADOR KEEL. Subsequent to November 25th, one decision that was made was that the State Department ought to have the lead in any Iranian initiative it might take, and in fact as I previously indicated in my deposition, one of the first actions that we took from a Presidential direction, was I issued a memo the first Saturday after November 25th, my first opportunity to discuss it with the President saying there would be no more NSC involvement in any secret, sensitive missions of an intelligence or operational basis until further notice and certainly until, in fact the Tower Commission had approved our recommendations and the President had had an opportunity to reflect on them. So, in part, for that reason and that the State Department had taken the lead, and properly, so as a consequence, there has been no NSC or White House person involved. That's the only clarification I wanted to make to make sure I was tracking your question in terms of any actual meeting with the State Department people and CIA people. State and CIA then made a decision to in fact pursue the contact, and I can't really remember now whether the Channel Two contacted CIA or vice versa, but the decision was basically made that there

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ought to be a meeting and, as I mentioned before, one clear purpose of that meeting ought to be to indicate there would be no more arms sales to the Iranians. So, I just wanted to make sure that I had your question right. The meeting itself did take place, but it did not involve any White House people, but I think perhaps State and CIA people.

MR. BELNICK. And the meeting we are talking about took place, the record indicates, on December 13, 1986, in Europe. Does that sound right to you from your recollection?

AMBASSADOR KEEL. Yes, it was certainly early December, and that sounds about correct.

MR. BELNICK. And my understanding is that attending for the State Department was Ambassador Dunbar, and for the CIA, George Cave. Does that comport with your recollection?

AMBASSADOR KEEL. Yes, it does, especially after you have told me. I probably would have had trouble recalling who it was done by in particular, but I do remember at least the first meeting it was George Cave because he helped when one of the US people were involved, in fact he was the CIA person involved in previous meetings and he also spoke Farsi.

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MR. BELNICK. Now, Doctor Keel, do you recall that prior to this meeting but in anticipation of it, the State Department, and particularly Secretary Shultz were taking the position that the Channel should be used solely for intelligence purposes and not policy: that in sort, policy and intelligence ought to be separate and not combined in the same channel. Do you recall that?

AMBASSADOR KEEL. Mark, are you there?

MR. BELNICK. Yes, let me repeat the question. Do you recall that in setting up the meeting that was to take place with the Second Channel in December, Secretary Shultz and the State Department were taking the position that the Channel should not be a combined intelligence and policy channel, but should be used for intelligence only, and that policy and intelligence ought to be treated separately when it came to the Iran contacts from that point forward as opposed to being combined in one channel. Do you recall that position being taken by the State Department and Secretary Shultz.

AMBASSADOR KEEL. Yes, I do. I came to know it, I must confess, by somewhat circuitous route. I did not know, frankly, that a meeting was planned. I came to know that a meeting was planned by the fact that some draft talking points, to use the

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vernacular for such meetings, had been prepared and agreed to, presumably between State and CIA. I was oblivious to it as Acting National Security Advisor and I found out when Mr. Regan called me, he either called me into his office or on the phone, I just can't remember which, and said that he had just had a conversation with Director Casey and that a meeting was planned and that Director Casey was very upset that State Department may be too narrowly defining the Channel, so that if some positive development should come through the Channel on the part of the Iranians, if we were going to basically close it down we would forego that possibility. That is how I learned first that there even was a meeting and that there were an agreed set of talking points. To be candid, I was a little bit upset that I had learned about it that way as Acting National Security Advisor, though it was proper that State should take the lead, but it certainly wasn't appropriate that the White House NSC was oblivious to what developments were ongoing and hence the President would have been oblivious. So, I then contacted, I can't remember, I believe it was...meanwhile, I think Bill Casey called me directly after Don Regan talked to me, and basically told me the same thing. Perhaps meanwhile Don had called him back. I just don't know, but I think I had likely gotten a call from Bill Casey in the interim. Before that, I had gotten ahold of, I think John Whitehead; I think George Shultz was out of town. I told John of the development that Bill was concerned about talking points, and more importantly

I was concerned that something was planned that I was oblivious to and as a consequence, the President was oblivious to, and that we all agreed State ought to take the lead, but that we ought to have had had enough lessons learned from everybody not knowing what was going on and there ought to be full coordination of any such policy. In fact, John Whitehead didn't appear to be particularly euphoric. This may have been done, I guess Mike Armacost might have been the one who negotiated the talking points with Bill Casey, and I think Mike had written it down. I was at the Airport and I indicated to John Whitehead that we've got to get this resolved and Don Regan had already indicated that we need to bring this up with the President.

So, it could have been the regular nine-thirty meeting, I'm just not confident enough now to tell you, but at a subsequent meeting with the President, this was raised. In fact, there was controversy, and the talking points had been worked out, and it was basically agreed that the essential element of what ought to be done, which everybody agreed on, is the m~~a~~essage ought to go to the Iranians "no more arms," period. That was it. There was, frankly in fact either on the part of the president...well, it was completely on the part of the President, it was his decision, that at the same time we ought not to be totally insensitive to any positive initiatives coming back through that Channel: that we

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AMBASSADOR KEEL. I'm sorry. Say again?

MR. BELNICK. Before you left your office as Acting National Security Advisor, did the names of Secord, Hakim and/or North come up in connection with the Nine Point Agenda?

AMBASSADOR KEEL. I don't recall any of the names being brought up in the context of the Nine Point Agenda, from any US representative or any foreign representatives of the US. The only recollection that I have is in our course in trying to find out more about it was that George Cave seemed to remember in one of the discussions or meetings that he had been involved in that a discussion of something of a nature of a Nine Point Agenda, or an agenda, whether it was nine points or eight points or whatever the number.

MR. BELNICK. Doctor Keel, did you or any members of your staff ask Director Casey what he knew of the Nine Point Agenda?

AMBASSADOR KEEL. I did not ask him directly and I don't believe my staff did. I don't know if George Shultz did, but principally State, as I mentioned before, had taken the lead on the Iran initiative, so although we were trying to find out in NSC if we could determine if there was any Nine Point Agenda and if ought not to do anything that is going to trigger an adverse Iranian reaction such as some consequence the hostages might suffer or some other consequence, and that we ought to be careful in our passing on this message of no more arms to not forego the possibility of this so-called Channel Two still producing positive results, either with respect to the hostages or with respect to the strategic relationship. So, that's a long answer, but I wanted to give you the full context. I know the State Department's view was that we've just got to get the Intelligence out of this, but the issue was a little more complex than just being able to surgically separate out Intelligence from policy. It was more a matter of "do we want to keep this line of communication"? Do we want to refuse to accept or be receptive to positive policy initiative in this line of communication. So that was a nuance that was worked into those talking points.

MR. BELNICK. Your answer was very helpful. Let me go on with that because you've answered a number of questions.

AMBASSADOR KEEL. And I think it was subsequent to that discussion that the Secretary of Defense also learned about an issue and called me and said that he was upset that he didn't know and I explained that I had just found out and consequently didn't know, and that I totally agreed that there should have been coordination and subsequent to that, I arranged an NSPG key meeting at the national security level to discuss the whole issue of where we go in our policy with respect to Iran.

MR. BELNICK. In the meeting that you described a few moments ago, not the NSPG meeting, but the meeting with the President, where the issue was raised, do you recall who was in attendance aside from you and the President?

AMBASSADOR KEEL. I can with pretty much precision. I know that Don Regan was there, and obviously I was there, the President was there, the Vice President may have been there, that would have been the case if it were a normal nine-thirty meeting, but I just can't tell you for sure whether it was a normal nine-thirty meeting or some other meeting where we just walked out of Don's office and walked into the Oval Office. So, it was at least the President, myself, Don Regan, and maybe the Vice President, but that would have been about it.

MR. BELNICK. No one from the State Department?

AMBASSADOR KEEL. No, this was sort of a real live situation where we had people in-route and John Whitehead was, of course,

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Acting Secretary. So no one from CIA or any other Agency was there.

MR. BELNICK. Yes, I understand, and also from your answer, I understand that the President essentially rejected, to that extent, the view of the State Department about restricting this Channel at the time to intelligence only. Am I correct?

AMBASSADOR KEEL. Well, I guess the essence of it, you can conclude that, but as I tried to indicate, the policy decision was a little more complex than just whether it should be intelligence or not. It was whether or not we ought to still be receptive to, quote, "policy initiatives" on the part of the Iranians through this Channel, and the view was that we ought to be confident enough to be able to say yes or no to a policy initiative regardless of the Channel if it were in our interest and hence, we ought to be receptive to it, but not limit ourselves to this being the policy channel. There were other channels that the State Department would be pursuing and were fully supported and moreover, we shouldn't take any actions certainly at that point where we would frankly precipitate any hostile act on the part of the Iranians. So we were sensitive to all that nuance, so it really didn't boil down to clearly whether you ought to separate

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intelligence and policy channel. The question just didn't lend itself to be framed in that precise a manner.

MR. BELNICK. But the President, you say, made it clear though that being receptive did not include being receptive to requests for additional arms sales; that there were to be no more arms sales or discussions of arms sales with the Iranians. Is that correct?

AMBASSADOR KEEL. That is absolutely correct. In fact, the principle purpose with talking points was just that, to indicate no more arms.

MR. BELNICK. Okay. Now did you report the outcome of that meeting to Secretary Whitehead?

AMBASSADOR KEEL. I reported either to Whitehead, or meanwhile I may have been able to get to Mike Armacost. I probably reported it to both, indicating the basis of the President's decision. They didn't seem, frankly, particularly bothered with the kind of explanations that I just gave you, although I think their druthers would have clearly been to have just State people only be involved in policy. I think that bothered them more than anything else. In fact, they mentioned

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that, well, regardless, we want to get John Cave out of this channel.

MR. BELNICK. George Cave.

AMBASSADOR KEEL. Not John Cave, George Cave, if you think Cave in some way, interferes with the productive relationship, then by all means, that ought to be done.

MR. BELNICK. Okay. Doctor Keel, did there then come a time that you heard from Secretary Shultz about what had happened at the meeting with the Second Channel which took place on December 13?

AMBASSADOR KEEL. Yes, I think shortly after that meeting, as a matter of fact, I believe the Secretary had just gotten back in town and he had learned of the meeting. I guess he had learned also of this modification of the precise instruction. I was told by, which is normal procedures as Acting National Security Advisor, I was told by the White House Communications people, who indicated that the Secretary wanted the meeting with the President. I called the Secretary, phone secure, on I believe this was Sunday, from my home and said I understood they wanted a meeting, and obviously we would try to set that up. He then went

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on to say, "Yes, it's very important, I have got some information which things are still going on in these channels." He said " more than we really knew before." I don't know how much he really went into detail with me on the secure phone, but the net result of all that was we set up a meeting in the Oval Office on, I believe Sunday morning; it could have been Sunday afternoon, but he and I went in and met with the President and he indicated he was very concerned that he had discovered, what I believe that was was my first knowledge of the "Nine Point Agenda." He had discovered a nine point agenda, and the most troublesome aspect of it was one point that involved the Kuwait prisoners.

MR. BELNICK. The so-called Daiwa prisoners being held by Kuwait?

AMBASSADOR KEEL. On the part of the Iranians, and obviously I was surprised at that and so was the President.

MR. BELNICK. Let me stop you there for a moment, Doctor Keel. Talking about the Daiwa prisoners which Kuwait held and that portion of the Nine Point Agenda, which would have involved the United States putting pressure on Kuwait to release those prisoners as part of a deal. What was the President's reaction

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when Secretary Shultz informed him of that feature of the Nine Point Agenda?

AMBASSADOR KEEL. Well, he indicated that that was never....that that was inconsistent with our policy: it was never part of our policy and that was exactly what we didn't want to do because that would, certainly in his view, in anyone's view, be dealing with terrorists and meeting the terrorists' demand, and the only way to conclude it was the US Government was involved with it certainly. So, he was quite adamant that that was never our position and never approved policy, if that was the case. As I said, I was also surprised. I indicated I would certainly try to find out if any such agenda existed, and that's when, as I indicated to you previously, that I directed my staff to start researching and talking with people in the other agencies who might know if any such agenda did exist.

MR. BELNICK. What else do you recall about that meeting among you, the President and Secretary Shultz concerning the outcome of the session with the Second Channel?

AMBASSADOR KEEL. Well, I think the Second Channel was basically conveying...He tried to convey that there might be more to what had been said in these meetings than we all knew.

Secondly, it was very clear that the Iranians were interested in more arms; however, obviously we had delivered the message to them that there would be no more arms. So I think that was the Secretary's intent, was to convey that straight with his own views and concerns to the President, and he did so, and as I said, the President shared the concerns.

MR. BELNICK. Was there any decision reached at that meeting?

AMBASSADOR KEEL. The Secretary really didn't ask for a decision. The one thing that I mentioned, as I have said, is that I sure would endeavor to try to find out, along with State and CI people, if they could find any such agenda. But the Secretary really didn't ask for any specifics. Certainly, I don't recall him asking for a specific decision. It would have been a little unusual for him to ask for a decision, with just basically myself and the President, for him to ask for a decision. So, I don't recall him asking for any decision nor any decision, specific decision, being made.

MR. BELNICK. Was it his attitude or approach in effect that what ever was going on with this Nine Point Agenda ought to be stopped and shut down, and the policy re-emphasized that we were

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not going to sell more arms, or pressure the Kuwaites to release the Daiwa prisoners or anything of that kind?

AMBASSADOR KEEL. Well, as I said, all of us had that attitude, but he did not say, "Well, Mr. President, we've got to go back and tell them that that's not valid," because in essence we had already told them that. He went over with instructions that said, "No more arms." We also, in reaction to them favoring this Nine Point Agenda, said, and I'm trying to paraphrase here, but something to the effect that what understanding they may have had, you are dealing with new people now, and any understanding now has the official standing on the part of the US Government. And I'm paraphrasing very liberally, but to make the point that the message had already gone to the Iranians certainly through purposes of this Channel, that that sure wasn't valid and the US Government certainly had no intent to stand by it, if it existed. So, all of us obviously agreed with that, and then, I mean, the President, myself and George Shultz, we were discussing that clearly was our case and we needed to continue to do everything possible to make damn sure there was no confusion.

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MR. BELNICK. Right.

AMBASSADOR KEEL. It wasn't a decision to go out and tell the Iranians for the first time that was the case. We had in essence, already told them that in the course of the meeting that had just taken place.

MR. BELNICK. Was there any discussion of the CIA's role in connection with this Nine Point Agenda, and specifically in connection with George Cave's position at the meeting, namely, that Cave seemed to know about that agenda?

AMBASSADOR KEEL. There may have been but I just can't tell you with any precision whether at that meeting in the Oval Office that Sunday. The Secretary mentioned, I do recall, that at some point downstream in the ~~[illegible]~~ Succeeding days of our trying to figure out if there was a Nine Point Agenda and who knew what about it, that I became aware that at least George Cave thought that there was some sort of agenda and that at least the release of Kuwaiti prisoners, without US involvement might have been part of it, but I don't recall George Shultz bringing that up that day, but I do recall sometime downstream that George gave what appeared to be an indication that there did exist something in the nature of a Nine

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Point Agenda and that the Daiwa prisoners were one item on it for discussion.

MR. BELNICK. Did you learn, either at the meeting in the Oval Office on that Sunday or in subsequent days, whether the President had any prior knowledge of this Nine Point Agenda being in existence?

AMBASSADOR KEEL. I never learned if he had any prior knowledge of it, and to my knowledge today he had no prior knowledge of it. In fact, as I said, before I left I couldn't even find documentation to support it, except the reference that George Cave apparently had some memory of it.

MR. BELNICK. Well, did you find out from George Cave, or from anyone at the CIA, how this Nine Point Agenda had come into being? Did you ask?

AMBASSADOR KEEL. I had my staff asking. That obviously wasn't the place of the staff officer, but I had my NSC people talking to George Cave and everyone else who may possibly know about it, as well as State Department people. But as I said, up until the time that I left, which was roughly two or three weeks later, we did not verify the existence of the Nine Points or what the Nine Points were; it was just George Cave's recollection, to my staff and then passed to me and the State Department people had passed to me, that he seemed to remember there being an Agenda and again the Daiwa prisoners being one item for discussion. So we never got to the point of even establishing, before I left, what the Nine Points were, and it never got to the stage of establishing who established them.

MR. BELNICK. Let me just press it a little bit, Doctor Keel. When Cave gave his recollections to your staff, did he say when he first heard that there was such a thing as a Nine Point Agenda?

AMBASSADOR KEEL. I can't tell you with any precision exactly what George gave to my staff and I certainly don't remember his reference to any specific date.

MR. BELNICK. Did the names of Secord, Hakim, and/or North come up while you were there in connection with this Nine Point Agenda? While you were there, meaning before you left office as Acting National Security Advisor?

any such documents existed in NSC, State was also very busy trying to find out everything they knew. The point of what I was learning, I was learning from State as well as my own staff.

MR. BELNICK. Okay, let me switch to another subject and take you back in time to November 1986, and specifically to a meeting about which you were questioned at your previous deposition that took place on November 10, 1986, at the White House. Do you recall generally that meeting? You know the one I'm referring to, Doctor Keel.

AMBASSADOR KEEL. Yes, I do, and I have what my notes...I did not have a copy of those notes, of course, but you provided them to me, and I have read those this morning.

MR. BELNICK. So the record is clear, when Doctor Keel was examined back in March, neither the examiners nor Doctor Keel at that time had copies of the notes which Doctor Keel made of that November 10 meeting, so the examination and the answers about that meeting were conducted on the basis of Doctor Keel's recollection, and he did not have the benefit of his notes and the examiners did not have the benefit of the notes either; but both Doctor Keel and I now do have the notes. I have sent you both the classified and

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unclassified version of the notes. Do you have the classified version in front of you as well as the unclassified?

AMBASSADOR KEEL. Yes, I do, Mark, I've got both versions in front of me.

MR. BELNICK. All right now, so we can be sure we are dealing with the same document, you will see, Doctor Keel, if you look towards the upper right on the page of both the unclassified and the classified version of the notes is a stamped number that has the preface, capital "N" like Nancy, and then it says "10378" on the first page, and the pages then are consecutively until the last page which is numbered, capital "N 10386." Do your copies have those identification numbers on them?

AMBASSADOR KEEL. Yes, they do.

MR. BELNICK. All right, so we both have the same document in front of us, I will ask the reporter to mark the classified version of Doctor Keel's notes, N 10378 through N 10386," as Keel Exhibit 1. She is doing that right now, Doctor Keel. And she will mark the unclassified version of the same notes, which bear the same "N" numbers but have various portions that have been blocked out by the declassification committee as Keel Exhibit 1a.

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So, Doctor Keel, number 1 is the classified version of your notes, and 1a is the unclassified version, and as we go through this, you can feel free to, and you should, refer to either or both of those.

Now for the record, looking at Keel Exhibits 1 and 1a, are those copies of notes that you took at the November 10, 1986, meeting in the White House?

AMBASSADOR KEEL. Yes, they are.

MR. BELNICK. Generally, Doctor Keel, having reviewed those notes and having reviewed also the transcript of your deposition in March concerning that meeting, do you find any substantial differences between what you recalled on March at your deposition about the meeting, and what your contemporaneous notes record concerning the meeting?

AMBASSADOR KEEL. Well, Mark, in fact I was frankly a little surprised that my recollection of the meeting was as good as it was. I don't find much to differ with now, having read them carefully, with my previous testimony.

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MR. BELNICK. So, then having looked at the notes, it is still your recollection that essence of the November 10 meeting was a discussion of what kind of statement should be made to the public about the initiative, within the constraints that there seemed to be a need for a public statement at that time, but also concern on the part of the President that any statement not jeopardize the efforts to release the hostages. Is that a fair summary?

AMBASSADOR KEEL. Well, with a small caveat. I think it's reasonably precise on that point; I refer to it slightly different in this context.

MR. BELNICK. Please, put it in your words.

AMBASSADOR KEEL. Okay, the meeting was in fact to decide what we could say publicly because the President felt strongly, and some of the other advisors, that he needed to make a public statement. So it was what he could say publicly, and by "publicly," of course, I mean to the public as opposed to a classified briefing to appropriate members and bodies or committees of Congress. So it was to decide what to state publicly, what we could say, and a desire to in fact make a public statement, but recognizing that certainly from, not only the

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President's view point, but from a number of his other advisors view point, that we were still dealing with a covert action, and as a consequence, there were some sensitive elements to it, and we had to be duplicitous, if you will, in terms of exactly what could be said without jeopardizing, what I would say, without jeopardizing the initiative in the broadest context: the release of the hostages, of course, and of course, not only jeopardize the lives of the hostages but also the initiative in terms of the Channel Two and the intermediaries involved in Channel Two, with at least the hope, if not expectations that it might lead to some advancement in the strategic relationship with Iran. So, that's the slight difference I would make with your summary.

MR. BELNICK. Fair enough. Doctor Keel, prior to the November 10 meeting, had Admiral Poindexter or anyone else, given you a full briefing on the Iran initiative, and particularly a briefing subsequent to the time that the Lebanese Press, on November 2 or 3 had disclosed the arms sales?

AMBASSADOR KEEL. Well, I would have to say no in terms of anything resembling a full briefing. I think, in fact the first time that all of us got the benefit of anything that John knew and could recall was in this November 10th meeting. There had been bits and pieces of discussion, principally in reaction to what was being said and what was true and what wasn't in various press stories. So I was starting, in my own process, to put together some picture of what had or had not been done in this initiative because obviously I was in a learning process myself.

MR. BELNICK. Sure. Let me in fact ask you this: when is the first time you learned that we had in fact sold any arms to Iran as part of an initiative?

AMBASSADOR KEEL. It was sometime in October in the context of the October, either the late October or early November sale of arms connected with the Jacobson release.

MR. BELNICK. October 1986, of course?

AMBASSADOR KEEL. Yes. The briefing and decision to sell 500 TOWs, I think is the right number to Iran. In that time frame, I became aware that there had been, or obviously there was an Iranian initiative and there had been previous sales, but it was only at the March meetings where a decision was being made whether or not to go ahead with this 500 TOW sale, and there was never an occasion where I was let in on, if you will, on the initiative in terms of everything that had gone on in the history of it and so forth and so on.

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MR. BELNICK. Yes, but you knew, in terms of that October sale that that was a direct sale by the United States to Iran. Correct?

AMBASSADOR KEEL. Well, I sure knew obviously that we were agreeing to it, but my understanding of it, just to make sure that we are not mis-communicating, my understanding of it, and I'm not sure that this is accurate today, was that it went through Israel; that they were US TOWs, but they somehow went through Israel.

MR. BELNICK. Do you recall that the problem in October 1986 was that we, the United States, couldn't directly deliver the TOWs on time, given the requirement at that moment, and that therefore the Israelis were going to ship the 500 TOWs and we replenished those 500 TOWs within a matter of days to Israel. Does that comport with your recollection?

AMBASSADOR KEEL. That the Israelis would provide the TOWs and we would reimburse them?

MR. BELNICK. Right, because we couldn't get the TOWs there on time from our own stocks.

AMBASSADOR KEEL. It's not clear to me now of exactly why that sequence was used, but I do recall the sequence was the

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Israelis would release TOWs or sell TOWs to Iranians and then we would replace those with the Israelis.

MR. BELNICK. All right, now in that connection, let me take you to the second page of your notes, which is page N 10379, and near the top of the page, if I read correctly, it says, "Ed," colon, now is that a reference to Attorney General Meese?

AMBASSADOR KEEL. Yes, it is.

MR. BELNICK. And do I read correctly that you recorded, next to his name, "We didn't sell," parenthesis, "Israel sold," closed paren. Then, "Was multi, hyphen-phased transaction." Have I read that correctly?

AMBASSADOR KEEL. You have, yes.

MR. BELNICK. Having drawn your attention to it, what do you recall, if anything, other than what you wrote there, that Attorney General Meese was saying?

AMBASSADOR KEEL. Mark, I really don't recall what he did say, because he was interrupting John's sort of narrative recounting what had gone on before and how we got where we were in

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this Iranian initiative and what had been done, what had been accomplished, etcetera. I don't recall him saying anything other than what is there.

MR. BELNICK. Well, did Admiral Poindexter or anyone else say to the Attorney General, "No, that's not right; we did sell. It wasn't simply that Israel sold, but we, the United States sold arms ourselves to Iran as part of this."

AMBASSADOR KEEL. No, no one did. In fact, even today I'm not sure if that statement is inaccurate in the context of who sold the weapons to Iran. Maybe it is.

MR. BELNICK. Let me ask you, are you not aware that there were shipments during 1986 of weapons directly from the United States to Iran, as opposed to Israel selling weapons and our replenishing?

AMBASSADOR KEEL. I guess, I certainly wasn't aware of that, and when Ed made that statement, it didn't strike me as incorrect, but I have no recollection of, you know, of even questioning that statement at the time personally, and no one else did.

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MR. BELNICK. Right, and Admiral Poindexter did not differ with that statement?

AMBASSADOR KEEL. No, certainly not there in that meeting, and again, the October shipment seemed to me to fit that pattern, and I guess it does today, so I'm not sure if there was some...if the previous shipments did not fit that pattern, then either either Ed was mis-speaking, or perhaps didn't have the details of those previous shipments.

MR. BELNICK. Even if we focus though on the October shipment in terms of that pattern, I guess what I'm trying to understand is where the Attorney General was heading, because again focusing on the October 1986 shipment, it would have been, wouldn't it, a distinction without a difference given that we were immediately replenishing to Israel the weapons that Israel was selling to Iran, so that regardless of that modality for getting the arms there, it nevertheless clearly was a transfer of American arms with US approval and US participation to the Iranians in order to secure the release of American hostage Jacobson. Isn't that right?

AMBASSADOR KEEL. Absolutely. I don't mean to imply at all, we knew very clearly, at the October shipment for example, we

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authorized and approved in advance, and whether it was reported or not, there were US weapons that were being sold to Iran.

MR. BELNICK. Right.

AMBASSADOR KEEL. So the Israelis were sort of a middle-man. I don't mean to imply that anyone thought that wasn't the case. I just assumed Ed, with that remark, might have thought there was some legal difference between a first-man and second-hand transfer of sales. Because from a policy standpoint, no one was under the impression, nor were they contending that US arms weren't sold: that the US didn't authorize them. In fact, that's what the President came out and said in his speech.

MR. BELNICK. Okay, let me take you back to the first page, if I may, and forgive my jumping around. I'm trying to move along as fast as I can and not take up too much of your time. On the first page of the exhibits, "N 10378," if you'll look about mid-way down that page of notes, there appears to be a note of Poindexter speaking made by you, and he says, "Initially used Israeli channel: found warehouse in," blank: blank being a [redacted] Then there is some more stuff blacked out of the unclassified version. I refer you to that by way of asking you if you recall that Admiral Poindexter was saying that the

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initiative had begun when we had..."we" meaning the United States or Colonel North in particular had discovered an Israeli arms warehouse in [redacted] that was being used to send arms to Iran, and that that's how this thing got started. Do you recall that?

AMBASSADOR KEEL. Yes, and of course, the notes are short, but that, in essence, was what John was alluding to, as I recall, and again with the help of my notes here, just what you have said that we had somehow stumbled over a warehouse of arms that the Israelis were involved in shipping and selling to Iran, and in the course of that, that was sort of the germ of the idea generated, I guess, by the fact that the Israelis were trying to achieve something for their own purposes through sale of arms, and presumably suggested we might be able to achieve some of our purposes.

MR. BELNICK. Doctor Keel, before November 10 and before Admiral Poindexter made the statement we're focusing on at the November 10 meeting, had you ever heard this story of us stumbling on an Israeli arms warehouse as the start of the Iran initiative?

AMBASSADOR KEEL. I can't tell you with precise time sequence whether I had heard it before or not. I don't think so. I think

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this was the first time.

MR. BELNICK. Help me with your handwriting, which is better than mine but not much. Right under this note we've been looking at about the warehouse, in parenthesis, there is a reference that looks to me like it says, "keep off near back." I just can't be sure I'm reading it correctly. Can you read it for me. It's in parenthesis right under the paragraph that begins, "Initially used Israeli Channel."

AMBASSADOR KEEL. It says, in parens, "Keeps off their back." T-h-e-i-r.

MR. BELNICK. All right, what do you recall that meant? Something that Poindexter said. What was he saying?

AMBASSADOR KEEL. Well, again I'm opening my classified notes here, so obviously what I'm going to be talking about is classified based on the standard you are using.

MR. BELNICK. Yes, sir.

AMBASSADOR KEEL. My recollection of what he was saying is in reference to that warehouse in the previous sentence, and he said

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that because they were selling arms that part of the objective was [redacted] but they also had an interest in a more moderate Iran, because at the same time it was obvious that at least some in the Israeli government had an interest in keeping the war going because that kept the Iranians off of them; kept the Iranians hands full, if you will, and reduced the Iranian threat to Israel.

MR. BELNICK. All right, let's move to the second page of the notes again, N 10379. Admiral Poindexter is still talking at the top of the page, and there is a reference that he said, "Sold 1,000 TOWs." Does that refresh your recollection that Admiral Poindexter told the group that was assembled for this meeting that the total number of TOWs that had been sold in the initiative was one thousand?

AMBASSADOR KEEL. Yes, he did, and it was an error that we discovered later, and I'm certainly convinced that it was inadvertent. Certainly every impression I had, it was inadvertent.

MR. BELNICK. How did he discover it?

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AMBASSADOR KEEL. Sometime prior to the speech, when Colonel North tried to be a little better at accounting, from whatever records he did have, of exactly the number of transactions. In so doing, came up with the result that there were two thousand TOWs involved and not one thousand, which I learned about a morning subsequent to this November 10th, but prior to the speech which, I guess was that Thursday. Obviously, the Admiral was upset because we had briefed the President and his advisors, and I was a little bit upset because, as I told Ollie, "That's just sloppy. You can't have figures that are off by a factor of two. What would happen if we made a public statement," and also we had briefed, I believe, before we had found it out, we had briefed---at least John had briefed some members of Congress with the number one thousand. So it was, needless to say, embarrassing to us internally as well as a little, I won't say chagrined, but our records were either totally inadequate or we were getting sloppy staff work. But as soon as we found it out, I assume at the nine-thirty staff meeting, John went in and told the President that we had made an error and there were actually two thousand TOWs involved.

MR. BELNICK. Now do you recall, as your notes also record that Admiral Poindexter read from the January 1986 Covert Action Finding, that the President had signed, which Secretary Shultz for

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one, indicated that he had not been apprised of before. Do you generally recall that?

AMBASSADOR KEEL. Yes, and again I'm not a hundred per cent confident, but I believe John began his recollection by reading the Findings.

MR. BELNICK. Okay. Now did...

AMBASSADOR KEEL. But I do know, in fact my notes verify it, but that John indicated that not everyone had seen the finding.

MR. BELNICK. Yes, that is recorded in your notes on the very first page as a matter of fact, on page N 10378, you made the note "read finding," parenthesis, "not all of you has seen," closed parenthesis. Now, am I correct that at no time during the meeting did Admiral Poindexter refer to the fact that there had been other findings signed by the President in connection with this initiative?

AMBASSADOR KEEL. No, I don't believe he did, certainly my notes don't reflect any reference to any other findings and I don't believe he did mention any other finding.

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MR. BELNICK. Did you ever learn, Doctor Keel, at any time from when you started with the NSC until you left in January that there had been another finding signed by the President in early December 1985, in connection with the Iran initiative?

AMBASSADOR KEEL. Well, I have followed some of the Hearings even from three thousand miles away.

MR. BELNICK. I'm glad you were keeping our ratings up.

AMBASSADOR KEEL. December 1985 finding, I was aware, at some point there I was, but CIA had wanted to put together a finding but my impression certainly was that it just never came about and nothing was signed, so that was a surprise to me and new to me, that there had been a finding signed in December.

MR. BELNICK. Admiral Poindexter had never told you that that finding was signed. Right?

AMBASSADOR KEEL. He did not.

MR. BELNICK. And certainly therefore, he did not tell you that in November prior to leaving office, he had ripped up that finding?

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AMBASSADOR KEEL. I'm sorry, Mark, we broke up and I didn't get your question.

MR. BELNICK. I said that certainly then he never told you that prior to leaving office in November 1986, he, Admiral Poindexter, had ripped up that signed, December 1985 finding?

AMBASSADOR KEEL. He did not.

MR. BELNICK. Okay, let me just look at these notes a moment. If you'll turn again in the notes to the fourth page, N 10381, near the bottom of the page it says...your notes quote Shultz as asking, if I'm reading correctly, "How did last 500 come about? Who arranged?" Then Poindexter appears to respond "Casey's guy: my guy, in October." Assuming I have read those notes correctly, do you recall any more of what Poindexter answered in response to the Secretary's question?

AMBASSADOR KEEL. You have read the notes correctly and I think that was the essence of it. It was a fairly pointed question in part with the Secretary pointing out that the last 500 was certainly new to him, and how did this all happen, and why didn't he know about it.

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MR. BELNICK. Right.

AMBASSADOR KEEL. So with John fairly matter-of-factly saying that it was one of the CIA people and of course, probably with the NSC people "my guy," as he put it, being Colonel North, who in essence negotiated that in October.

MR. BELNICK. Okay, now continuing on that same page, you then record "Cap," a reference to Secretary Weinberger, as saying "I thought we agreed no more after first 500 unless get all captives." Did I read that correctly?

AMBASSADOR KEEL. "Unless got"

MR. BELNICK. Oh, "unless got". Okay.

AMBASSADOR KEEL. Yes, you read it correctly.

MR. BELNICK. Okay, and then, if I read the following one correctly, Poindexter replies, "just, always came back Pres, he always agreed to go ahead." Now if I read that correctly, Poindexter was saying that the decision always came back to the President as to whether to keep going, even though the hostages

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had not been freed and the President always agreed to keep going. Am I correct in that?

AMBASSADOR KEEL. Well, I think again, it's interpreting here more than recalling exactly what happened, but what Cap was basically saying is that, "Look I thought we agreed on the 500 and that was sort of a one time deal unless there was an arrangement worked out where all of the other hostages were released as a package, and when did we deviate from that policy? I don't recall him going into that much detail, so I'm doing a little bit of interpreting here.

MR. BELNICK. I understand.

AMBASSADOR KEEL. But then John, in sort of abbreviated fashion saying, "Well, that's right, but we always came back to the President anytime we made a decision to move ahead, and accept release of some number less than the full compliment of hostages, and the President always made the decision of whether or not to move ahead."

MR. BELNICK. When Admiral Poindexter made a statement to that effect, did the President say anything at the November 10 meeting? Nothing is recorded in your notes.

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AMBASSADOR KEEL. Yes, that's correct, nothing is recorded, but I don't believe the President did interject any remark at that point.

MR. BELNICK. He did not?

AMBASSADOR KEEL. I'm sure if he had, I would have recorded, and I certainly don't have recollection of him making any at that point.

MR. BELNICK. Based on your knowledge of the President in these situations, if he disagreed with what Admiral Poindexter just said about his decision making and state of knowledge, he would have spoken up?

AMBASSADOR KEEL. Well, that's in part calling for a conclusion from me, of course, and I can't put myself in the President's mind.

MR. BELNICK. Well, let me put it this way, the President did not say, "That's wrong," when Poindexter spoke?

AMBASSADOR KEEL. He did not.

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MR. BELNICK. Okay, now if you would turn to the next page, which is the 5th page of the notes, N 10382, there is a dialogue and if I can just summarize with you, looking at the notes and you'll tell me if I go off the track. The Attorney General is discussing, if not urging a distinction with respect to who was holding the hostages, and that since it was not Iran that was holding them, we therefore, were not paying ransom to the terrorist by selling arms to Iran, and the President, about the middle of the page in your notes seems to say, "We were getting influence of Iran, not ransom." Have I read that correctly?

(Static and noise on telephone line.)

MR. BELNICK. Doctor Keel?

AMBASSADOR KEEL. Yes.

MR. BELNICK. Did I read the President's comment correctly as you recorded it?

AMBASSADOR KEEL. The President saying we were getting influence of Iran?

MR. BELNICK. Right, "not ransom." Is that what that says?

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AMBASSADOR KEEL. It says, "not ransom," meaning not paying ransom for hostages, both with respect to Attorney General Meese's remarks as well as with respect to the President's remarks.

MR. BELNICK. Right. And then do you recall from looking at your notes, do you recall that Secretary Shultz in that part of the dialogue was disagreeing and saying that, ~~as~~ and I'm now summarizing from your notes, that we have to be careful what we say; that he's not sure what the difference is between giving the arms to Iran or directly giving them to those that were holding the captives. He reminds about what he calls, according to your notes, "Bud's elaborate scheme," that the airplane would go if the hostages were released, and so forth. In sum, Secretary Shultz was taking the position that it would be wrong or dangerous to issue statements that definitively said there was no trading of arms for hostages given that the record itself would not appear to support that assertion. Do you recall that basically was his position?

AMBASSADOR KEEL. Well, he didn't quite say it that way, but he sure was offering a very strong point. The Attorney General, as you indicated, had pointed out the difference between trading directly with those who held the hostages captive, and Iran, who had influence, and the President very deeply believed in that

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difference, and in fact, believed that he would be able to explain that difference. Secretary Shultz has indicated there, in essence was, "I'm not quite sure you can explain that difference, and I'm not sure I know what the difference is," and "we've got to be careful in saying something that might be technically correct, but might not be exactly representative of what was taking place."

MR. BELNICK. Right, and if you just look up near the top of the page on page 5, because I'll need your help in reading a note here. In the first comments by Secretary Shultz that are recorded on that page, under....Perhaps you could help me read through that note. It says, "Shultz: careful how we say."

AMBASSADOR KEEL. I'm sorry, which page are you on?

MR. BELNICK. I'm on page 5, "N 10382" to save time, what I'd like to ask you to do is to read to me your note near the top of the page, the first time Shultz speaks, what he said, where it begins, "careful."

AMBASSADOR KEEL. Okay, Shultz says, again reading my notes, "careful how we say," first line. Second line, "remember Bud's elaborate scheme: airplane to go here, if this, then," and my

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notes cut off here, they were cut off by the Xerox, but I assume it says, "then got." Then in paren, it says, "(from my view snippets of information.)" end paren. Then "believe is ransom." That is the sum of his remarks.

MR. BELNICK. And that was Shultz saying that he believed what we did was paying ransom.

AMBASSADOR KEEL. Okay, it reads that at that point in the discussion that he believed it was ransom.

MR. BELNICK. Now let me ask you, when he referred to "Bud's elaborate scheme," did you understand which shipment he was talking about?

AMBASSADOR KEEL. At some point I started to assume that it was connected with Bud's trip, but I'm not quite sure frankly whether it was connected or not from that trip, and I don't know what the scheme was.

MR. BELNICK. All right. At that time, Doctor Keel, November 10, as I understand from reading your prior testimony, you were not aware that the United States had been involved in a shipment of Hawk missiles to Iran in November 1985 by Israel. Correct?

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AMBASSADOR KEEL. That is correct. I didn't become aware of even the shipment, much less the controversy until days later, roughly around the time of the press conference.

MR. BELNICK. Right. And if you go back, and again forgive me for jumping, but if you'll go back to page 2 of your notes, "N 10379," where you are continuing to record Admiral Poindexter's opening briefing at the meeting, right after he informs all of you that a total of one thousand TOWs had been sold, which we discussed earlier, he then says that there had also been sold to Iran "290 types of Hawk parts." Correct?

AMBASSADOR KEEL. It's 240.

MR. BELNICK. 240; I'm sorry, 240. And am I correct also that Admiral Poindexter did not describe or discuss or say at this meeting that in addition, at any time, Hawk missiles had gone to Iran as part of the initiative?

AMBASSADOR KEEL. No, no, certainly not at this meeting. Just so the notes don't put things in the context from the standpoint of what I knew then, or even what I know today.

MR. BELNICK. Right.

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AMBASSADOR KEEL. I didn't know about the November shipment then, and as I say, I learned about it later and learned about the controversy over whether we knew before or after the fact. Even so, my understanding of that today was that even once we were trying to figure out that we knew about the November shipment, it was never a matter of whether weapons went or got into Iran's hands. My understanding was that the Hawk missiles were sent over, but then retrieved or sent back, and so it wasn't a matter of not accounting for all the weapons that ended up in Iran's hands.

MR. BELNICK. But even that much, namely that missiles went over there and then came back....

AMBASSADOR KEEL. Was not discussed at this meeting. That's correct.

MR. BELNICK. And did you ever find out, by the way, from Admiral Poindexter or from anyone before you left the NSC, why the missiles came back from Iran, the Hawk missiles.

AMBASSADOR KEEL. I guess I heard sort of two different versions. The first, my first belief based on principally what Colonel North had told me, was that we had found out that the Israelis had shipped them and were upset and insisted they come back. Now, later on, I learned a slightly different story that the Iranians weren't happy with them because they were the wrong kinds of missiles and that was in large part how we were able to get them back.

MR. BELNICK. Who did you learn that second version from, namely, the version that said the Iranians were unhappy?

AMBASSADOR KEEL. I don't know exactly. I assume frankly, it probably came from Ollie also. That description started to be used in the various meetings of starting to put together a chronology.

MR. BELNICK. Did you ask how it was that he had these two completely different versions of that same story?

AMBASSADOR KEEL. No, I frankly was on the periphery of putting together a chronology and going in and out of meetings learning pieces, so it obviously strikes me today that that was two different characterizations of what happened, but frankly, it didn't appear to me to be that significant in the whole context of things, not enough for me to stop him and say, "What the heck is going on," because there was a lot of discrepancies that we were trying to sort out and tie down, and try to get all the people who

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had any knowledge of all the events together and laid down in one place, one accurate account. So I attribute it more to our search for an accurate account than to being particularly alarmed that this piece looked like it was different descriptions.

MR. BELNICK. Okay, just a few more questions. Could you turn forward in your notes to page "N 10383," which has a "5" at the top of it. I think your numbered 2 page is 5, so look for N 10383.

AMBASSADOR KEEL. Okay.

MR. BELNICK. Now again the discussion at this point in the meeting is focusing on what kind of statement ought to be issued and the President makes some remarks in the middle of the page, which I'm having some trouble reading. So, with your permission, let me ask you please to read into the record what you record the President saying at that point in the meeting on page N 10383.

AMBASSADOR KEEL. I'm sorry, you broke up. I did not get the question.

MR. BELNICK. Let me ask again. We're at page N 10383, and you record the President making some remarks. Would you please

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read into the record, because I'm having trouble reading the handwriting, what you record the President saying at page N 10383 of your notes.

AMBASSADOR KEEL. Okay, the first note, the first tic, if you will, and I'll read it tic by tic, "speculation, slash, rumors has endangered what we're doing." Second tic, "endangered our contacts." The third tic, "there is evidence," and then there are four sub tics: "Bud was not in Iran in September." Second subtic, "Not tried to deal with terrorists," and my notes trail off, but the next word is "ransom," presumably he said "not tried to deal with terrorists or ransom of the hostages." The third tic, "purpose of government is to go to," and then again, I'm sorry, the Xerox has cut off that word.

MR. BELNICK. Mine too. It's cut off on mine also.

AMBASSADOR KEEL. Okay, and...

MR. BELNICK. "Or her support." Is that that the next line seems to say?

AMBASSADOR KEEL. It seems to say "or her support," but it doesn't make a lot of sense. I think the essence of that though,

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and again part of it seems to be missing here, but I think the essence of it was that the government does have an obligation to protect citizens and offer their support, government support.

MR. BELNICK. Okay, keep going please.

AMBASSADOR KEEL. Yes, then the next one, the fourth major tic, "can't do a Q and A," and then in parens, "(because of the danger)" end paren. Then the fifth and final tic is, "are obeying law."

MR. BELNICK. Okay, now turn to the next page, please N 10384.

AMBASSADOR KEEL. Yes.

MR. BELNICK. And again the group is still discussing the kind of statement, and there is something in the middle of the page that you record that Admiral Poindexter said, and if I read it correctly, it seems to have him saying "if we go with this, end of our relationship." Did I read that correctly?

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AMBASSADOR KEEL. Yes, that is what that note says.

MR. BELNICK. And do you recall that Admiral Poindexter was taking the position at this meeting that really any statement was dangerous and that his preference would be to say nothing?

AMBASSADOR KEEL. No, I actually don't recall John taking that strident a position. I think what he was concerned with at this point in the whole conversation is that, we had started off the meeting and the President had started off the meeting by saying, "I want to make a public statement," and so the whole course of the meeting was, apparently John saying or recalling all of what had happened, and then deciding what we could say publicly without, again endangering the hostages or the initiative. At this point in the discussion, I think John was sort of reacting in frustration that we were building towards a decision that had us say too much and he was basically sort of, in frustration saying "Look, if we go this far, that's going to be the end of this relationship with this Channel Two that we've developed." So, I don't think John was saying, nor do I recall him saying, "I'm against any public statement." He was basically reacting at this point to his sense that we were building towards a decision that we were going to say too much in public, and hence do what we didn't want to do, jeopardize the initiative.

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MR. BELNICK. Okay, and then at that point in the meeting, again on the same page, N 10384, you record the President as saying, if I read it correctly, "We don't talk TOWs; don't talk specifics." Did I read that right?

AMBASSADOR KEEL. That's correct.

MR. BELNICK. And then what's the next line, please?

AMBASSADOR KEEL. The next tic says, "because of nature," comma, "no Q and A's."

MR. BELNICK. Okay, now could you read, and we're nearing the end of this, Doctor Keel, could you read for me at the bottom of the page, N 10384, what you record the President saying at that point?

AMBASSADOR KEEL. Yes, the President says, "Basic statement has to come out." Then a sub-tic, "not paying ransom," in parens "We're not negotiating." In parens again, "Not dealing with kidnappers," slash, "terrorists." The second sub-tic, "International policy," and then in parens "(avoid specifics," comma, "declare consistent with our policy," and "can't engage in

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speculation," and in parens "(threatens these lives" comma, "lives of hostages)" end paren.

MR. BELNICK. I see. Turn please, to the next page, which is N 10385, and could you read to me what you record at the top of the page from Admiral Poindexter?

AMBASSADOR KEEL. "More about what not doing," comma, "not what we are doing." John's point there, that we need to get a statement out and we need to have our story, here's what I think has to be said, and here's what I believe.

MR. BELNICK. Okay, and....

AMBASSADOR KEEL. And John was basically reacting to that, and the essence of this is agreeing and saying that what we really need to do was make sure we say more about what we're not doing and to what is out there that is erroneous and speculation, than what we are doing in terms of specifics.

MR. BELNICK. Okay, please then look at the last line on that same page, N 10385. There is a question that you record Secretary Shultz as having asked, and the question as I read it is, "Do we trade any more arms for hostages." Have I read that correctly?

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AMBASSADOR KEEL. You have read it correctly.

MR. BELNICK. Now your notes do not record whether there was any answer to that question. Do you recall whether anybody commented or responded to Secretary Shultz's question of whether we're going to trade any more arms for hostages?

AMBASSADOR KEEL. I don't think there was an answer. I think Secretary Shultz was...of course, by this point the decision had been made in terms of yes, we're going to make a public statement and here's what we can say in the context of protecting the initiative, but I believe this question on the part of Secretary Shultz was somewhat rhetorical, near the close of the meeting when everybody was about to get up, implying that there is a fundamental policy issue we've got to wrestle with, and namely, do we trade any more arms for hostages. But my sense is that he put it in that rhetorical context, not necessarily expecting any answer, and certainly not expecting a decision from the President in that meeting because that was not the purpose of the meeting and it would be unusual for a policy issue to have been raised without everyone coming in recognizing that was the purpose of the meeting. So, I don't think there was an answer and I don't recall anyone responding, except perhaps acknowledging that we've got to make that policy decision.

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MR. BELNICK. And lastly, the final page of your notes, "N 10386," and this ought to be our last questions. Could you just read, it's a short page, all of those comments on N 10386, for us into the record?

AMBASSADOR KEEL. The first note, attributed to the President here is "appreciate people saying you support policy." That's the first tic under comments attributed to the President. The second tic says, "will not comment on." Meese then responds, "agree." Shultz then responds, "I support you, Mr. President, but in this case concerned about policy. The President responds, "always viewed as giving muscle to those in Iran so can help us." Then John Poindexter, again a note attributed to him says, in quotations, ""aware of project," comma, "were consulted," and then Meese, and the final note, indicates, "put in statement."

MR. BELNICK. Do you remember what Poindexter meant when he said, "aware of project," were consulted"?

AMBASSADOR KEEL. Yes, I have a pretty good recollection of all of these sort of cryptic notes. This was just at the end of the meeting. I think people were standing up, and as you see, they are sort of half sentence fragments. It's hard to take notes and stand up at the same time, but my recollection is that

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essentially at the end of all this was that the President was saying, having made the decision we're going to make a statement and here's the basis of it. He was saying that he would appreciate, obviously, all the members of his Administration supporting the policy, and indicating they were not going to comment or speculate on a lot of the reports, other than what they were going to make as a public statement, and that they couldn't indicate or speculate on those in public, and would not comment any further, than obviously what we were agreeing to state, or had agreed we could state without jeopardizing the initiative and the hostages and so forth. Meese then responds, "I certainly agree, Mr. President." And Shultz then, he indicated that he certainly supported the President, but in this case was concerned about the policy.

MR. BELNICK. And what was Poindexter talking about when he said, "aware of project," were consulted?

AMBASSADOR KEEL. Okay, I was just going to get to that. Let me put it all in context. It'll just take me thirty seconds.

MR. BELNICK. That's all right.

AMBASSADOR KEEL. The President responds to Shultz, I guess by way of explanation, trying one more time to explain to him his

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view, and the President had a deep conviction that he was not dealing with terrorists and not paying ransom, and how he viewed this was simply giving muscle to those in Iran who could influence the terrorists. It was just an offer again, one more time of his perspective on things. John then offered that then in the context of what people would say or wouldn't, that he certainly hoped people would say that they were aware of the project, meaning that they were aware of the numbers of meetings that had taken place, and there was, to date at least, at the onset of certain phases of the initiative and that they were consulted at least at the onset of the meeting. The initiative again, certain phases. And Meese went a little bit further, picking up on John's remarks, and said, "why don't we put that into the public statement."

MR. BELNICK. And that's where your note taking stopped and presumably the meeting finally ended.

AMBASSADOR KEEL. That's exactly right. That was the end of the meeting. As I said, in fact, we were in the process of all standing up when these last half-dozen or so notes were recorded.

MR. BELNICK. Mr. Ambassador, I have no further questions, and I want to on the record thank you very much for your cooperation and helpfulness in submitting to two examinations and taking us through your notes and responding to our questions. I

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know you have a busy schedule and again, I want to thank you for taking the time to help us with these questions.

AMBASSADOR KEEL. Certainly, Mark, and I appreciate those comments very much.

MR. BELNICK. And I wish you continued luck and good success on your new mission.

AMBASSADOR KEEL. Thank you very much. It's certainly an important assignment for us and I'm very enthusiastic about it.

MR. BELNICK. Thank you very much, and good by.

AMBASSADOR KEEL. Okay, bye-bye, now.

(The deposition terminated at 1216 hours, 3 September 1987.)

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AUTHENTICATION

I, ALTON G. KEEL, do hereby solemnly swear that I have read the attached deposition, consisting of 69 typewritten pages, and it is true and complete to the best of my knowledge and belief.

ALTON G. KEEL

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EXHIBITS ATTACHED

Keel Exhibit 1, (TS) Handwritten notes (uncensored), taken by Ambassador Keel, 10 November 1986

Keel Exhibit 1a, (UNCLAS) Handwritten notes (censored), taken by Ambassador Keel, 10 November 1986.

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CERTIFICATE

I, Kathryn J. Whitty, do solemnly swear the deposition of Ambassador Alton G. Keel, was given under the following conditions:

1. The deponent, Ambassador Alton G. Keel, was duly sworn by me prior to the commencement of any testimony given.

2. The transcript is a true record of the testimony given by the witness.

3. The testimony was recorded by me, by use of the closed microphone and thereafter transcribed by me into the typed 69 pages.

4. The deposition was given via closed circuit telephone, with Ambassador Alton G. Keel in his office at NATO Headquarters, Brussels, Belgium. Mr. Belnick, Mr. Almsted and the reporter were on telephone extensions located in room 910, the Hart Senate Building, District of Columbia.

5. I am not disqualified under Section 1.674.

Kathryn J. Whitty
Kathryn J. Whitty

Subscribed and sworn to before me by Kathryn J. Whitty, this 10th day of September 1987.

Alice M. Arnold
Notary Public, District of Columbia

My Commission Expires [illegible]

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11 30 a.m. – 1:00 p.m. – mtg 85

Cap, Shultz, Regan, Pres, VP, Poindexter, Keel, Casey

N 1057

Pres: -- need support (all of us)

① no bargaining w/ terrorists

(no ransom for terrorists

② Also, international Foreign Interest

(hope for moderate govt)

-- what happens after the Ayatollah

(we can't talk about)

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JMP: - Main consideration long term strategic relationship

① support moderates

② stop terrorism –

③ release hostages

- Read finding, (not all of you have seen)

Jan 17, 1986

- Initially ~~[illegible]~~ used Israeli channel [redacted]

-- found worrisome –

(obj.

also, said want moderate Iran;

also said want to keep war going

(keeps off their back)

Partially Declassified/Released on 26 Jan 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5383

- May 1986 (Bud's trip to Tehran

Iran: -- Channel's initially [redacted]

-- now Rafsanjani

-- "cannot solve problem"

AK–
1/21/87
jill

Hostages: - Lebanon

[redacted]

- Kuwait

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K.Y Keel Exhibit 1

(7) TOP SECRE

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o Bud went May 1986 (only trip) N 1037

-- raised 1000 TOWs
-- raised 240 types of Hawk parts
① 1st 500 TOW's went w/o permission f
-- we found out, eventually re-imbursed Israel

Ed: - We didn't sell (Israel sold)
- was multi-phased transaction

JMP: - Important to note:
-- defensive arms
-- small amount
-- my opinion, now a show of good (

: Results:
-- after Weir, Jenco, Anderson, Southern- has more hostages (or
-- solid contact w/ Rafsanjani
-- convinced of Soviet threat (convinced can't win war)
-- ~~ap~~ accept resolution
-- emphasized anti terrorism
-- gotten three hostages back

: Situ today:
-- three factions
-- Rafsanjani leads middle of road group

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③

-- Continued interested in dealing w/

[redacted]

-- Third group is radical: ~~[illegible]~~

[redacted] who is
a player and associate of [redacted]
[redacted] primary contact w/
: contact w/ group that took
three most recent terrorists

-- Rafsanjani arrested : accused w/ [illegible]

-- [redacted] published pamphlet
resulted in pro-Syrian magazine

-- Rafsanjani forced to speak-out:
-- purposely had inaccuracies

-- Raf: pleas to not comment
-- wants strategic relationship

-- 200 ~~[illegible]~~ chants

(OLN just back; hence over weekend
w/ Casey group; says might get two
more hostages by week-end)

JMP: Relationships

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[redacted]

[illegible]: CPPG – long term strategy
(want to get agencies [illegible]
Long: contacted [illegible] members
-- all OK except Byrd
CAP: - called them [illegible]
- not helpful: JCS [illegible] [illegible]
: [illegible]

Shultz: - how did [illegible] [illegible] 500 [illegible] -
- who arranged?
JMP: - Casey's guys, my guys in [illegible]
CAP: I thought we agreed no more [illegible]
[illegible] 500, unless got all [illegible]
JMP: yes, always come back. Pres, he agreed to go ahead.

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(5)

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Meese: -- who's holding?
JMP/Casey: - Lebanon
Meese: important not Iran, so not deal w/ terrorists, trading for hostages
Shultz: - careful ~~[illegible]~~ how we say
- ~~[illegible]~~ remember Bud's elaborate scheme: hostages to go here, if this, then (for every few shipments of weapons)
- seldom in concert
Meese: had same as Daniloff/Zakharov
-- obviously related but not trade

Pres: -- we were ~~[illegible]~~ getting influence of Iran, not ransom

Shultz: -- not sure what's diff
-- our good part of story, e.g., w/ advice in strat rel w/ Iran
-- can't go higher than what JMP said
-- have to be careful how say; concern we say something that's technically correct but not exactly representative of what we've done
CAP: - Concern re how much we tell Rafsan,
- how much, not give our basis for action, saying gotten Rafsanjani w/ us.

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⑤ UNCLASSIFIED TOP SECRET

N 10383

Casey: - Need stmt re our objectives
- has been strategic op'y to improve prospects for moderate gov't
- Proposed statement:

CAP: ① Anticipate question
② Cong. leaking

Pres: - spec/rumors has endangered what we're doing
- endangered our contacts
- on evidence, - bad news not in Iran [illegible]
- not trying to deal w/ Khomeini
- purpose of gov't - to get on their support

- can't do Q&A (because of danger)
- ~~[illegible]~~ are obeying law
-

Shultz: - agree re purpose of gov't to protect citizens; but whole purpose is to protect by discouraging terrorism
① concern that juxtaposition does appear give impress for hostages
② concern regard agreement & strategic sign re arms,

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N 105

-- Italy and feel that Israelis suckered us so they could sell what they wanted
(more [illegible])

③ The [redacted] they said publicly that Iran was strategic prize

Good statement, but must be careful.

CAP: ① emphasize that relationship is important (people at risk)

JMP: ① if we go w/ this, end of our relationship;

Pres: — we don't talk TOW's, don't talk specific
— because of nature, no Q&A's —

Regan: ① Will need to say something to thinking people (not press)

Pres: ① Basic strand has to come out
-- not paying ransom
(not negotiating)
(not dealing w/ kidnappers/terrorists)
-- international policy
(avoid specifics, declare consistent w/ our policy
can't engage in speculation
(Not Nicaragua [illegible] history) —

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N 10385

JMP: more about what ~~[illegible]~~ not doing
-- what ~~point~~ / we are doing. } 1

CAP: - bear in mind, might get repudiation from Iran

Meese: - get away from idea people were exposed; division w/in U.S. gov't

VP: ① What about Israeli case

Pres: ① what go. down any leadership;
-- tell them we will take a chance
: ② Aimed at people

Regan: ① Who will issue Q&A's

Meese/Pres./Casey: ① no Q&A's

Shultz: - what about anti terrorist group (state of total demoralization)
Pres: say no; no dickering w/ terrorists

Shultz: - do we trade any more arms for hostages

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NR 10386

Pres: - appreciat people saying you support
-- ~~[illegible]~~ policy

- will not comment on

Meese: agree

Shultz: I support you, Mr President but - am concerned about pre-

Pres: - always viewed as giving muscle
to those in Iran ~~[illegible]~~ so can help us

SMP: "aware of project", were consulting

Meese: - part in Stories

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TOP SECRET

RPTS DINKEL

DCMN STEVENS

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DEPOSITION OF LEON B. KELLNER

Thursday, April 30, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

4235

The deposition convened at 2:25 p.m. in Room 2203, Rayburn House Office Building.

Present: Pamela J. Naughton, House Select Committee; Tina Westby, House Select Committee; W. Thomas McGough, Jr. Senate Select Committee; and Henry J. Flynn, Senate Select Committee.

Partially Declassified/Released on 1-13-88
under provisions of E.O. 12356
by N. Menan, National Security Council

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COPY NO. 1 OF 3 COPIES

MS. NAUGHTON: We are on the record.

I am Pamela Naughton, Staff Counsel to the House Select Committee to Investigate Covert Arms Transactions with Iran.

Will the people around the table please introduce themselves.

MR. MCGOUGH: I am Tom McGough, Associate Special Counsel to the Senate Select Committee.

MR. FLYNN: I am Hank Flynn, an investigator with the Senate Select Committee.

MS. WESTBY: I am Tina Westby, Associate Staff Member of the House Committee.

MR. KELLNER: Leon Kellner, United States Attorney for the Southern District of Florida.

Whereupon,

LEON B. KELLNER

having been first duly sworn, was examined and testified as follows:

MS. NAUGHTON: Before we begin, Mr. Kellner, I want to give you a copy of the rules of the Select Committee under which we will be proceeding.

THE WITNESS: Just--I was given--I have read Rule 7, the deposition rule, before I came here. It was explained to me.

MS. NAUGHTON: All right.

EXAMINATION

BY MS. NAUGHTON:

Q You are here without counsel today; is that correct?

A That is right.

Q Could you give us a little background, Mr. Kellner, on your professional career after law school?

A I graduated Harvard Law School in June of 1971. Thereafter, I began the practice of law with the New York firm Chadbourne, Parke, Whiteside and Wolff.

I was there for approximately from 1971, June 1971, to approximately June 1973 at which point I joined another law firm in New York entitled Anderson, Russell, Kill and Olick, P.C.

You want their office, where they are located?

Q No. That is all right.

A I was with that law firm from approximately April--I think April of 1973 until July 1982 when I joined the United States Attorney's Office for the Southern District of Florida as Chief of its Civil Division. I was Chief of the Civil Division from July 1982 to approximately January 1984 when I became Executive Assistant U.S. Attorney.

August 16, 1985, I was--I became court-appointed United States Attorney upon the elevation of the former U.S. Attorney, Stanley Marcus, to the Federal Bench in the

Southern District of Florida.

In June 6, 1986, I was confirmed by the Senate as the presidential-appointed U.S. Attorney. That is the position I hold today.

Q Do you know when you were nominated?

A No. I am sorry. What do you mean by the term nomination?

Q You weren't confirmed until the hearings. I wondered when your name went forward officially?

A I do not know the answer to that. I do know in February of 1985, when the then Senator of the State of Florida, Senator Hawkins announced the recommendation of Stanley Marcus to be U.S. attorney, within a day or two thereafter, she announced she was recommending me to become his replacement.

Now, I don't recollect when the formal nomination went in. I don't think it was too short before the appointment, but I don't have the exact date. I don't have the exact month. I don't even have the month.

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. Q Prior to that time had you done any criminal litigation?

. A No.

. Q Can you give us an idea of how many cases the Southern District handles a year, criminal cases?

. A Yes.

. Q I thought you would. You guys always have those numbers.

. A For the fiscal year ending September 30, 1986, we indicted approximately 1,300 felony cases involving 2,500 felony defendants. For the year ending June 30, 1986, according to the records of the Administrative Office of the Court, we tried 328 felony jury trials involving approximately 1,300--involving exactly 1,362 jury trial days.

. This represents approximately 83 percent of the entire jury trials handled in the Southern District of Florida. It also in the largest number of jury trials in the United States. It is tied to the day with the Southern District of New York for the largest number of jury days.

. Of the seven largest districts in the United States, we have the largest number of felony indictments in a year, and we have pending in excess of 31 defendants pending trial, which is more than the Southern District of New York and the Northern District of Illinois combined.

. Approximately 50 percent of this caseload is narcotics-related.

. Q How many assistants do you have in your office? How many assistants are physically located there today?

. Do you know how many assistants are assigned to the Southern District of Florida?

. A I have allocated slots of 103.

. Q How many are filled?

. A As of--

. Q Today.

. A 96.

. Q First of all, did you or your office participate in a case against a defendant named Cutter, Paul Cutter?

. A I have no recollection. I have no knowledge. It is not a question of recollection. I have no knowledge of it.

. Q Getting down to what we will refer to as the contra days, the case Mr. Feldman worked on--

. A He is working on.

. Q He is working on.

. --what is your first recollection of either hearing about or reading about that case?

. A My first recollection of the case is in the middle of March 1984.

. Q What do you recall about that?

. A Two things: One, I recollect receiving a letter from the Court transmitting a letter from Judge Atkins, transmitting a letter to me that was sent to him by the wife of the defendant. I knew--I now know who the defendant was. I had no independent recollection at that point. We get a lot of those letters.

. I sent it off to my executive assistant to deal with it.

. March 14, I believe is the date, I received a call from Mark Richard asking me about a case involving allegations of an alleged plot to assassinate the ambassador to Costa Rica and a variety of other allegations, including blowing up embassies, etc.

. I went down the hall to my executive assistant to find out about it, because I recollect--it refreshed my recollection about the letter I had received. She happened to be sitting there with Jeff Feldman. They briefly told me what went on.

. Q What did they tell you, if you can recall?

. A They explained to me the allegations, what happened with the case in general terms, the allegations of entrapment, etc.

. Q Is this the Garcia case?

. A Yes, it is.

. Q Was the letter from the wife, was that Mr. Garcia's wife?

. A Yes. I believe so.

. Q Did Mark Richard say where he had gotten the information that you had such an investigation?

. A I don't recollect. He did not talk to me about an investigation. I recollect he talked to me about a letter that he had seen, that he had been asked to check out. So I'm not sure he was talking about a case as much as he was talking about a letter--I believe it is the same letter I had received a copy of from the Court.

. He said he had been asked to track it down.

. Q Did he say who asked him?

. A No.

. Q Did you get back to Mark Richard then?

. A Yes.

. Q What did you tell him?

. A I have no independent recollection what I told him, but I would have told him whatever I was told by Jeff Feldman.

. Q How had you left it with Jeff Feldman when he briefed you on the investigation to date?

. A He told me he was still going forward. That was it. I don't believe I said keep going forward.

. Q Did you tell Mr. Richard that it was still going forward?

. A I have no independent recollection of that. I have no independent recollection that I would tell him it was still going forward. There are certain events that happened subsequent to that that leads me to believe that I did discuss that, but there is no independent recollection.

. Q Did he say he would answer the letter or--

. A No. The letter--that was never discussed. The letter was not addressed to us; the letter was addressed to the Court. So there was no response. We never discussed any response. It never occurred to me to respond. It wasn't addressed to me.

. Q Was Mr. Richard's letter addressed to the Court?

. A I don't know. I never saw it.

. Q So you don't know if it was addressed to him personally, the Attorney General?

. A No. No. The only letter I recollect seeing was the letter addressed to the Court that was sent to me by the Court.

. Q What is the next thing that happened, as you recall?

. A The next thing that happened--one of the things that I had reviewed that leads me to believe that I did discuss it with Mark Richard is that there is a document filed in

Court asking for a continuance, where Jeff Feldman put in that it was at the Justice Department's request.

. That indicates to me that I did discuss it with Mark Richard and that I did tell him that we were going to delay the sentencing to continue the cooperation. I have no independent recollection, but I presume we then told Jeff Feldman--I spoke to Justice, they agreed we should delay the sentencing in order to get the cooperation, and do that.

. Q Is it your recollection then that the idea for the continuance was basically--basically emanated from your office or was this Mark Richard's idea?

. A I do not recollect that. I do not recollect that. As I said, I have no independent recollection of even discussing it, except for the fact that that document indicates that.

. I am fairly certain that Jeff would not call the Justice Department on that, so it had to have come from me. The only person I was speaking to was Mark Richard. In a briefing with him, I would have said we were--normal process, which is that we would delay the sentencing because it had been going on. So we would continue the investigation.

. Q Did you discuss Mr. Garcia's cooperation specifically with Mark Richard? In other words, did you go into details of what he had told you?

. A No. I have no recollection--I have no recollection of it, but I would tend to doubt it. It was more of an overview. I do not recollect a very lengthy conversation.

Q How was it left with Mark Richard? Were you to stay in touch with him or send him any materials?

A No, not that I recollect. A lot of--not that I recollect. There was no specific instruction.

Q What is the next thing that you recall happened?

A I do recollect discussing with Jeff what he was going to do to track down the allegations primarily about the assassination plot involving Jorge Achoa and the million dollars and the bombing of the various embassies. I remember discussing that. I remember saying, ''Go talk to Jack Terrell.''

Q How did you know Jack Terrell?

A He told me.

Q You hadn't heard that name prior to the time?

A No.

Q When Mr. Feldman briefed you, did he mention the name Robert Owen?

A Not that I recollect.

Q What about Aldo Romero?

A No.

Q Did Mr. Feldman discuss with you his conversation with Mr. Mattes?

A No. The first time--you mean the conversation about the alleged saying that the Department of Justice--

. Q No. Just that Mattes' client wanted to cooperate and so forth?

. A I didn't know who Mattes was. I knew the defendant. I never heard the name Mattes at all.

. Q You didn't discuss the defense attorney?

. A No. I have no independent recollection that he was a public defender.

. Q Do you recall Mr. Feldman showing you any charts that he had prepared that tried to show the conspiracy?

. A Not at that point in time.

. Q When do you first recall seeing a chart?

. A I first recall him discussing that on his return from Costa Rica. That was at a meeting with a number of people. But that is down the road.

. Q So what happens between March 19 when the motion to continue sentencing is filed and the trip to Costa Rica?

. A In terms of what? In terms of my involvement?

. Q Yes.

. A Nothing.

. Q Well, how is it determined that Mr. Feldman is going to go to Costa Rica?

. A I am sorry. You are talking about between the 19th and when he went to Costa Rica?

. Q Yes.

. A I am sorry. I thought between the time--I thought your question was from the time that he--the 19th or so until he went to New Orleans.

. What happened was after he returned from New Orleans, he debriefed me.

. Q Okay. What did he tell you?

. A My recollection, he told me that Jack Terrell had only hearsay information. People with the first-hand knowledge of anything that we were investigating were in Costa Rica, incarcerated, and he would have to go there to check it out.

. Q What was your response?

. A Do it.

. Normally I don't get involved in travel because it is signed by somebody else. Travel to a foreign country, I have to sign.

. Q What, if any, arrangements did you make?

. A None.

. Q You just signed the authorization?

. A Yes.

. Q Did you talk to Ambassador Tambs at all about the trip?

. A No.

. Q Did you communicate with anyone at the State Department?

. A No.

. Q At this point, before he goes down to Costa Rica, around March 27 or so, did you discuss whether or not the focus of the case was a military activity as opposed to the assassination plot? In other words, were you aware of any kind of military supply route to the contras, guns were going to the contras?

. A Yes. I was aware that was one of the allegations. I recollect there was a series of allegations, in my focus. The assassination plot, the bombing of the embassies, was my focus. In my mind, that was the most serious.

. Q Did you tell him at that point not to pursue the contra?

. A I told him nothing in terms of what to pursue. I assumed he was going--I knew he was going down there and he was to ask questions and conduct the investigation with the FBI agents.

. Q His notes indicate that on March 28, 1986, you had a six-hour meeting?

. A Yes.

. Q Do you recall that?

. A I recall coming back from New Orleans. I recall a discussion, an extensive discussion with him about what he found. I do not recollect the hours. It is not on my calendar, which is not unusual because of the way I run that office. When I am interested in a case, I will frequently ask my secretary to ask the assistant to come down.

. In this particular case he may have come to see me without me asking. He knew I was interested because of the sensitivity of it.

. Q Were you interested in it because Mark Richard called about it, or were you interested in it because of the subject matter?

. A The subject matter.

. Q The assassination?

. A The assassination and the bombing and the involvement of Jorge Achoa.

. Q During this meeting on the 28th did you talk about the specifics of the case, the details?

. A I am certain we did. I have no independent recollection. The thing that sticks out in my mind is that I was told originally Garcia was dead, that he did not have independent knowledge, that he said Jack Terrell had independent knowledge. That is why I said go speak to Jack Terrell.

. He came back and said Jack Terrell doesn't have independent knowledge, that the people with the independent knowledge or first-hand knowledge were the people in Costa Rica.

. Q Did you have any discussions with any supervisors at the FBI during the spring of 1986 regarding this case?

. A No.

. Q Did it ever come up at the meetings with the Bureau?

. A No.

. Q How about any of the case agents on the case?

. A No.

. Q Did any other Federal agencies bring up this case or did you discuss it with any others?

. A No.

. Q So while Mr. Feldman was in Costa Rica, did you hear from him or speak to him?

. A I believe he called once. I don't recollect what the conversation was. I believe he did call once.

. Q But you don't remember what was said?

. A No.

. Q What happened after he got back?

. A We had a meeting.

. Q By the way, while he was in Costa Rica did you receive any telephone calls from anyone in Costa Rica?

. A I just said I did.

. Q Besides him.

. A No.

. Q No one called from the embassy or anything like that?

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. A Not that I recollect.

. Q Did anybody call from Main Justice regarding that trip?

. A Not that I recollect.

. Q Did anyone call from any other agency regarding that trip?

. A Not that I recollect.

. Q When he came back, what happened?

. A The day he came back--let me rephrase that. We had a meeting. That was on April 4. In attendance at that meeting was myself, my executive assistant, Ana Barnett, Larry Sharf, Dick Gregorie.

. It was an extensive meeting. Basically the purpose of it was for him to detail what he had found out in Costa Rica.

. Q Okay.

. A At that point--it is during this meeting that I recollect him preparing and showing us a diagram.

. I must add there was a lot of discussion at that meeting concerning what violations were potentially available. I recollect a discussion of the Boland amendment. The reason I recollect a discussion of the Boland amendment is because it is at this meeting that Leiwant, one of my assistants, says I received a phone call from Jensen or Trott.

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Very recently he told me that he was the one who said that. Until he said that to me, I did not even recollect him being in the meeting. He was not there for the whole meeting. He was there for a short portion of it at the end of the day, when we couldn't find the Boland amendment in any of our books.

We asked our executive assistant, Ana Barnett--I sent out to used juris to get a copy of the Boland amendment. My understanding from her is that David Leiwant was using the juris machine. She asked him to run it and bring it in and he stayed for a while.

During this discussion we had an extensive discussion of what he found out, potential violations, a discussion of that. I am certain that at that meeting, because it was in my mind complex, I asked him to prepare a memorandum of what he had found out, what he suggested--where does he suggest we go from there.

Q David Leiwant said that he received a call?

A David said he was in that meeting with me and that I received a telephone call from either Lowell Jensen or Steve Trott and that I got off the phone and I said that Washington wants us to go slow and I grimaced and we went forward with the conversation.

This was related to me by him approximately eight weeks ago. Until that time I didn't know.

. I immediately informed a variety of different people about the source of the allegation. I told OPR and I told--I called special counsel, or I had my assistant call special counsel. I called OPR immediately and told him this is an allegation being made against me, I want it investigated.

. Q But this is after it all comes to light in the newspapers, isn't it?

. A Yes. But it wasn't--you know, I did not know who the source was. I had initially asked for the investigation. There was additional information that they needed in order to conduct the investigation, i.e., the exact source.

. I immediately informed them of that because they were conducting--OPR was conducting an investigation at my request about the allegations of slowing down.

. Q Did you ask the other people in the room if they recalled your receiving such a telephone call?

. A Pardon me?

. Q Did you ask the other people in the room if they had--

. A Yes.

. Q --recalled?

. A Yes.

. Q What did they say?

. A They each say that it never happened.

. Q Did you ask your secretary if she had taken such a call?

. A No, I haven't.

. Q When these allegations surfaced in the press, did you take steps to try to find out where that information came from?

. A No.

. Q Why not?

. A I didn't care because it was a lie. I felt that it was political and it would be useless for me to try and, in any event, it was simply not true. So I didn't care.

. Q What then came to your attention with Mr. Leiwant's comment? In other words, did he come to you a few weeks ago?

. A Yes. He came--he actually went to Ana Barnett and Dick Gregorie and said, ''I'm the one who has been saying from inside the office.'' So that I knew. That is why I told the special counsel and OPR, because I had asked OPR initially to do an investigation of me on the cover-up, on the alleged slowdown, and I did not have a piece--they did not have, because I did not have, a piece of information about who was a witness.

. I now had information about a witness and it had to be given to them so they could do the appropriate investigation--something I didn't have before.

Q Why did Mr. Leiwant go to Ana Barnett?

A It was related to me he had been called by a Congressional staffer. That's what he told Ana Barnett as a reason why he came forward.

Q Because he anticipated a Congressional inquiry?

A No. He had--a Congressional staffer called him.

Q Do you know from what staff?

A No. I believe it was from Congressman Hughes' staff. I think it was Hayden Gregory.

Q At that time or subsequently did you find out who, if anyone, leaked the memorandum that Mr. Feldman prepared?

A Are we talking--

Q I am jumping ahead. We are on leaks.

A Okay. All right.

No. I was aware that it had been leaked sometime before that.

Q But do you know who did it?

A No.

Q I guess we are back to the long meeting after Mr. Feldman comes back from Costa Rica?

A Right.

Q Do you remember specifically anything that stands out in your mind regarding that discussion of what you found out that you thought was noteworthy?

. A That there was no substance to the assassination attempt; that there was possible substance to arms violations and sending mercenaries down. Again the focus was that there was no substance to the assassination plot, the million-dollar Jorge Achoa issue and the bombing of the embassies. That had always been a priority item for me.

. Q Do you recall Mr. Feldman at this time showing you a chart?

. A I recall him preparing a chart.

. Q Do you recall seeing Oliver North's name at the top?

. A No.

. Q You don't recall that?

. A No. It would have had no meaning to me. One of the reasons I asked for the memo detailing everything was because it was confusing. It was difficult to parse out in a verbal manner. I wanted to see it in writing.

. Q Do you have that chart? Is that one of the things that Mr. Feldman provided you?

. A It is part of this.

. Q Yes. It is part of the materials in front of you.

. Let the record reflect you have, I think, a three-inch black binder?

. A I am not sure. Let me take a look.

. Q It would be around early April probably.

. A Yes. It is tabbed. Yes, I have it.

. Q Referring to this document, about one inch down is the name North NSC?

. A Yes.

. Q Do you recall seeing this chart at the time you received the briefing?

. A I recall him preparing the chart or showing it to me at the time of the briefing, yes.

. Q Did you ask him about this notation, North NSC?

. A I don't recollect.

. Q Right beneath it, a reference to Robert Owen?

. A Yes.

. Q Do you recall asking him about Robert Owen?

. A I don't recall it. I remember him discussing the fact that Owen supposedly had some connection with North. But that is really all.

. Q You recall their names at least coming up in the briefing?

. A I recall Owen's. I don't recall North's specifically. I recall National Security Council.

. Q So you recall him telling you Owen had some relationship to the National Security Council?

. A Yes.

. Q Was there any discussion at that point of perhaps referring this to Main Justice, Office of Public Integrity, since possibly public officials would be involved?

. A No. There was no discussion at that time about that.

. Q What else was discussed at that meeting that would stand out in your mind?

. A The only thing that stands out was that I wanted this in memo form.

. Q Did Mr. Feldman describe to you his meeting with Ambassador Tambs?

. A I'm sure he did. But I have no recollection. It was a lengthy meeting. I am sure he went over with me everything.

. Q Did he discuss with you his meeting then with the [redacted]

. A Again I am sure he did. I am sure he went over with us everything that he had done down there.

. Q Do you recall what your reaction was to that?

. A No. I don't know what you mean by ''reaction.''

. Q Well, did you find that surprising or--that [redacted] would be interested in this case?

. A No, I did not find it surprising. It did not register with me in terms of surprise.

. Q When is the first time you recall the allegations or any discussion about the case appearing in the press?

. A It depends on--I don't have an independent recollection of exactly when. I do know reading a lot about it and I do know reading that the stories, when I read it, that were not true in what I had gathered from the investigation, that I was being briefed on by Jeff Feldman.

. For example, I am aware--I was always aware that everybody said that this case involved six tons of guns, and during this period of time, April, when I asked for the memo and we had the discussion, we were talking about twelve tons, not six tons.

. I am aware that I was told that stories were being told through the media about what this case was. I am aware, for example, that there were certain stories that people saw all the weapons and yet I was being briefed that no one saw the weapons.

. I was aware that at some point in time there were statements made that the initial witness, Jesus Garcia, had passed a polygraph test. I was aware that I was being briefed that he did not.

. Q Do you recall any discussion with Mr. Feldman on or about April 11 again regarding the case?

. A No.

. Q Regarding sensitivity?

. A No.

. Q Do you recall any sort of joking remarks regarding the fact that you hadn't been appointed yet?

. A No. April 11th, I returned from--is the day I returned from Europe. It is also the day that two FBI agents were killed and three were in the hospital, and I had been paged at the airport about it. My focus at that point was on that.

. Q When did the Attorney General come down?

. A I believe the following day. It was over the weekend. I did not know he was coming down until I was told by the FBI.

. The FBI said would you like to go to the airport with us. I believe--it was either a Saturday or Sunday. I had been to the hospital before, I recollect. I went to the hospital twice. It was either before or after he came down. But I remember going to the hospital twice.

. I was not aware he was coming down until I was told by the FBI that he was and asked if I wanted to join them.

. Q Was that on the same day you met him?

. A No. It was the day before--two days before. I think they told me on a Friday. It happened over the weekend, as I recollect. I am sure it happened over the weekend.

. Q And did you meet him at the airport?

. A Yes.

. Q Did you drive with him to the hospital?

. A No.

. Q Where did you go after the airport?

. A We went from the airport in a convoy to one of the hospitals. I don't recollect. There were two hospitals, South Miami and Baptist. I believe those were the two hospitals. The agents were in different hospitals. We went to both hospitals.

. Q Straight?

. A Yes.

. Q What did the Attorney General want to do? What was the purpose of his visit?

. A To visit the agents. Well, you are asking me for something--he didn't tell me that. I just knew it because I was told by the FBI that he was coming down to visit the agents in the hospital. So I knew that that was the purpose of the trip.

. Q What did you discuss in the car on the way to the hospital?

. A With the Attorney General?

. Q Yes.

. A I did not ride with the Attorney General.

. Q You just rode in the convoy?

. A I was in the convoy. I did not ride with the Attorney General. I rode with the Deputy Attorney General, Walter Jensen.

. Q Who rode with Meese?

. A I don't recollect.

. Q Did he have a man there named John Richardson?

. A I don't recollect.

. Q When was the first time you had any conversation of any substance with the Attorney General?

. A What do you mean by ''substance''?

. Q Well, more than hello, how are you. On any subject.

. A I only recollect one conversation of any substance during the entire time.

. Q Was this at Baptist Hospital?

. A It was at one of the hospitals. It was either Baptist or South Miami. I don't recollect which hospital.

. Q What do you recall?

. A He called me aside, asked me about this case.

. Q This case specifically?

. A Yes.

. Q How did he refer to it?

. A I don't specifically recollect. I believe he talked about the assassination plot.

. Q Did he know you had a case there? In other words, did he say Mark Richard tells me you have a case?

. A No, no, no.

. Q Did he say I hear you have a case down here?

. A Something to that effect. It was not, ''Mark

Richard told me about it and briefed me about it.'' It was, ''Tell me about what is going on with that thing with the assassination plot,'' or some words to that effect.

. It was clear in my own mind that he knew. It wasn't like a general ''Tell me about your most interesting case.'' It was clear to me he was referring to the assassination plot.

. Q What did you tell him?

. A I basically told him as far as the assassination plot, that the investigation--we had done the investigation, people had gone and done interviews. With respect to the assassination plot, there is no evidence, that my prosecutor and the agents--my prosecutor tells me. With respect to the other matters, it is still under investigation.

. Q When you said ''the other matters,'' had he referred to other matters?

. A I am not sure if he referred to it or I did. I did talk about the gun running. I am not sure whether I just said there are allegations of gun shipments from Miami, but I did divide the two.

. Q This is kind of important. Did he ask you at all about any military activity or any guns being shipped in support of the contras?

. A No.

. Q So--

. A He did not question me. He asked me one question. I gave him a brief statement. The assassination plot doesn't look like it's flying, the gun running, we are still investigating. That was it. There was no follow-up questioning by him. The conversation did not take more than two minutes, two to three minutes.

. Q But you can't recall if it was yourself who first mentioned gun running, or the Attorney General; is that right?

. A No. I always have divided the case in two pieces, really.

. Q Did he say anything like, ''Keep me informed,'' or anything along those lines?

. A No.

. Q When you had this conversation, who else was present?

. A I believe Lowell Jensen was.

. Q Did he participate in it?

. A I don't recollect. I don't believe so. As I said, I believe it was just a one question and my answer.

. Q Was Lowell Jensen within earshot?

. A I would be speculating.

. Q Well, you can tell me distances.

. A I don't recollect at all.

. Q After that little conversation, what else did you and the Attorney General discuss?

. A Nothing that I recollect.

. Q He didn't ask you about any other cases?

. A No.

. Q Did you tell him about any other cases?

. A I don't recollect. There were two matters that were, in my mind, important that I could have discussed with him. One was an indicted case that had come down, that the Department is very interested in, that I had spoken to Lowell Jensen about. That had to do with the arrest of a--what we understood to be a senior member of the Government of Suriname, which happened around the same time period.

. Q But you don't recall if you discussed that with the Attorney General?

. A No.

. Q How long was the Attorney General in Miami?

. A I think a couple of hours.

. Q Did he go back to Washington?

. A I don't know.

. Q Did he go back to the airport?

. A Yes. I went with him.

. Q Did you ride with him?

. A No.

. Q Do you know if the Attorney General met with anyone that day, aside from the agents in the hospital?

A In Miami?

Q Yes.

A No. I think the entire trip involved--I saw his plane land. We went to the hospitals. We went back to the airport. I saw him get on the plane.

Q When you got back to the office, did you tell anybody that the Attorney General had inquired about this case?

A You mean the following day or something? That was a weekend. I did not go back to the office.

Q Well--

A At any time?

Q Yes.

A No, no. I didn't discuss that with anybody. I didn't tell anybody.

Q How did the newspapers find out about it?

A Oh, I told them when the whole thing happened. When it was disclosed that the allegation was that he told me to go slow, cancel the investigation, they said, ''What do you have to say?''

I said not only is it not true, I only have spoken to the Attorney General once in my life and that was the time. That's the only time he discussed it. I don't believe before that time that--at the time of the questioning, that I had ever seen the Attorney General ever in a setting other than a hello, how do you do. That is how it came out. I said it.

Q What is the next thing of significance that you know about this investigation?

A Because of the assassination plot, because of the complexity, during that month I wanted--month, month and a half, I wanted a memo. We worked on that memo. Jeff sent me drafts. I didn't like it. I sent it back. We changed it. We had a meeting.

It was my intent that that memo was going to Justice, to Mark Richard, putting together everything we had up to date.

Q Had Mark asked for one?

A No. Not that I recollect. It was my choice, I believe. I wanted it up there.

Q Why?

A Because he asked me about it initially. Because it did involve an assassination plot. Because there were articles in the newspaper. And, most importantly, there came a time where there were press reports saying there was no investigation. That was wrong. I had my executive assistant call Washington and say it was wrong, that in fact there was an investigation going forward.

I wanted the memo up there to show them what we had found and what we intended to do.

. Q This is Ana Barnett called someone?

. A Yes.

. Q Do you know to whom she spoke?

. A Yes.

. Q Who?

. A Pat Kortin.

. Q The press person?

. A Yes.

. I was annoyed when I saw articles saying there was no investigation.

. Q Do you recall when these articles appeared?

. A Sometime the end of May.

. Q When you got the first draft of Mr. Feldman's memo, did you agree with the conclusion?

. A There was none.

. Q Did you send it back for a--

. A Yes.

. Q Why don't we go through the drafts?

. A Yes. No. The initial memo was not what I wanted because it didn't start from day one and didn't go to day--to date. I wanted something that laid everything out.

. If I recollect properly, there was no conclusion.

. Q What about the part that says ''Conclusion''?

. A Yes. It was not--the conclusion I was referring to was a conclusion of what we were going to do. The conclusion here is that--''Although our investigation has dispelled Garcia's story, we have learned CMA actively assisted''--''Although our investigation has dispelled Garcia's story, we have learned that CMA and Rene~~e~~ Corbo actively assisted the FDN in [redacted] before November '84 and April '85. There is no question Renee Corbo and CMA actively recruited individuals in the United States to train or fight with FDN contras.

''Further investigation may also verify Carr's claim that weapons were among the items shipped from the United States to [redacted]''

That, in my mind, was not the conclusion I wanted. The conclusion was not that further investigation may. I wanted to know what he recommended that we do to continue the investigation.

Also, the memo began in the middle. It did not describe how we got to the point of going to see Jack Terrell and going to Costa Rica. Since I knew that I wanted to disseminate this memo, I wanted everything from day one to the time the memo was written.

I also wanted it--the memo starts in the middle. I wanted it to say this is a memo that describes the investigation conducted to date by the FBI, this office. I wanted it much more formal than it was, because I knew what I wanted to do with it.

Q Did you tell Jeff Feldman that it was going to Washington?

A I don't think so.

Q Was there any reason why not?

A No.

Q So what did you tell him to do with the memo?

A Redraft it with these things, including his recommendation and the beginning. I don't recollect that anything in the middle was changed, the facts.

Q And did he?

A Yes.

Q And the next draft then he produced?

A That's right. The next draft had a conclusion. The next draft had a conclusion. It was given to me April 14 or 15. I went over it. Since I knew where this was going, I made some changes because it was going up with a recommendation to go forward with the grand jury. It was going to have my name on it as going forward with the grand jury, that I was agreeing with this thing.

So I sent it back to him, some other minor changes, questions on it. It was redrafted. Then before I would send this memo, I wanted a meeting with my senior people to see if they agreed with it, and then we had a meeting after the second draft was prepared--third draft at that point.

Q I am referring now to the memorandum-unfortunately

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it is dated May 14, 1986, like on the draft. This one says first. Could you read that for the record?

. A ''First draft to Kellner.''

. Q If we could get to the conclusion page--

. A Right.

. Q There is some handwriting on the bottom of page 20 of that draft. Could you read that for the record?

. A ''I concur we have sufficient evidence to institute a grand jury investigation into the activities described herein.''

. Q Whose handwriting is that?

. A That is my handwriting.

. Q Was that to be on the draft itself?

. A Yes. In the version--yes. I was working on a draft that if it had gone up that way, it would have been on it. It was not--this was not supposed to be just little notes for me. The purpose for that was incorporating. There are other comments throughout.

. Q Was this drafted prior to your meeting with your senior staff people?

. A Yes.

. Rephrase the question. Do you mean the memo or my statement on it?

. Q Your notation on it.

. A Yes.

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. Q Before the meeting?

. A Yes.

. Q The meeting, I understand, occurred May 5th; is that correct?

. A There was a meeting May 5th. It is in my calendar. It says case review. I would assume we discussed an early draft of this memo. I had received it--not this particular memo you just referred to, but the prior memo. I would assume that that was discussed at that point. It may have been discussed at some other point.

. Q Okay.

. A There was a point between receiving the initial draft--I had a discussion in which I raised the concerns that it was not complete and I wanted a conclusion. That happened in that time period.

. Q So the meeting with the senior staff, did that take place May 20th?

. A Yes. That is on my calendar also. According to my calendar, Joe McSorley was supposed to be there. He was my chief assistant. I don't think he was.

. Q On your calendar notation how is it referred to?

. A Costa-1.

. Q What happened at the meeting?

. A We went through the memo, discussed it. There was substantial discussion, including--with me--about the focus of the investigation, whether we had sufficient information to go to the grand jury and whether or not there should be continued investigation done, primarily because of the contradictory nature of the statements that were being made, and also the fact that at this point in time we had nobody with respect to the arms shipment who was prepared to say that there were even twelve guns on the plane; that the only thing we had was a statement from Steven Carr saying he was told that but hadn't seen it. Discussion along that line.

. Q Was there any discussion of bank records or other records?

. A Yes.

. Q What was the gist of those discussions?

. A Whether or not a grand jury was needed to get at them, whether or not we--whether we could get those bank records without a grand jury. No, strike that. That had to do with some of the records.

. Whether or not at this point in time it was appropriate to get the bank records before we had any allegations of something else. That is what I recollect of that conversation. Was this the time to do it.

. The records I was referring to were ATF records.

. Q ATF records or records kept by gun dealers?

. A Records kept by gun dealers which ATF can get without a grand jury subpoena.

. Q As to the bank records--

. A You would need a grand jury subpoena.

. Q It was decided to hold off on that?

. A It was decided there was not sufficient information, sufficient evidence developed in the case so far that--to go forward with those inquiries. That was a general discussion among all the people at that meeting. It was basically unanimous.

. Q Was it discussed as to what people would be--could be hurt or embarrassed or whatever, or innocent parties being disclosed from a grand jury investigation?

. A Whenever you do a grand jury, we are concerned about that. I am certain that that was discussed. When I do--when we do any investigation that is of a sensitive nature, one of the concerns we have about a grand jury is that it could be disclosed by people who are being served by it.

. Q Was that discussed?

. A I have no independent recollection of that.

. Q Does Florida have a bank secrecy law?

. A Not that I recollect. Certainly not that would apply to us.

. Q For instance, when you issue a subpoena for bank records, are they obligated to inform the customer or do they have no obligation? Or are they obligated to keep that request secret?

. A They were not obligated to keep the request secret. That is an issue that is discussed frequently in South Florida, especially because of the bank records that we have, bank records that we seek, especially in our money laundering investigations where at times the banks take the position that they must disclose.

. Recent legislation was passed--I think in the '86 Drug Abuse Act--that, in essence, gave banks protection for nondisclosure which hadn't existed prior to that time.

. One of the arguments they made was they did this to protect themselves from liability. When the '86 Act was passed, it gave them a certain amount of protection. It also gave us the ability to go for a court order.

. Q Of nondisclosure?

. A Of nondisclosure.

. Q Were any of these matters discussed in that meeting?

. A You mean the new law?

. Q Yes.

. A No. It wasn't passed.

. Q All right.

. A Do you want to know the names of the people who attended that meeting?

. Q Sure.

. A Myself, Dick Gregorie, Ana Barnett, Larry Sharf and Jeff Feldman.

. Q Larry who?

. A Sharf, S-h-a-r-f. He attended the earlier meetings, as well.

. Q How many grand juries do you have sitting at any one time?

. A About 30. 25 to 30.

. Q So the discussion was not whether to impanel a new one for this case?

. A No. Grand juries are impaneled--we receive a--the process is we apply on a yearly basis, annual basis, and it is an omnibus order, omnibus request for grand juries for our needs based upon the number of grand juries that are expiring and the number we think we need.

. Q Taking this case aside, on an average case what is necessary or what procedures do you have to allow an assistant to decide whether or not to go to the grand jury, either to issue subpoenas or for testimony?

. A Generally they deal with their supervisors on that.

. Q Do they have to seek their supervisor's permission every time they want to issue a subpoena for bank records?

. A No, no.

. Q So what made this case so unusual?

. A Because of the notoriety. I treated this case similarly to the way I would treat a number of similar sensitive cases where, before we issue grand jury subpoenas, we discuss it. The types of cases that come to mind are public corruption cases where, before we issue any subpoenas in those cases, it is discussed, because especially in those types of cases there is a public disclosure requirement where, whenever we issue a subpoena to any public body, it is going to be in the newspaper.

So because of that and because of people's reputations, depending upon what we say on our subpoenas, we are careful how we do it to assure that people are not unfairly tarred by allegations.

Q Was there any discussion about possible embarrassment or hurting the reputations of any Cuban Americans in Southern Florida?

A I don't recollect. I don't recollect that.

Q Would that have been a concern of yours?

A Not necessarily Cuban Americans. Anybody. That is a concern of mine. I am not going to--it is a concern to me all the time. Sometimes we have no choice and we have to do it, but I am concerned about people being accused in the media unfairly where I can't comment.

I never comment about a continuing investigation, yet the allegations remain, so I am careful about that.

Q Well--

. A That applies across the board.

. Q Here is what I have trouble reconciling. You have stated that in early May the articles appear alleging that you are going to slow down on the investigation, or there is no investigation and it is not proceeding.

. A No.

. Q Did I misstate what you said?

. A Yes.

. Q Okay. Why don't you tell us about when those allegations appeared.

. A Those allegations appeared afterwards. What I said happened early May was that the Department of Justice had said that there was no investigation.

. Q Okay. Why don't we back up on that, then. What happened in early May?

. A My understanding is there was a report in the newspapers saying that to characterize it as an investigation was too strong, that type of statement, implying that we didn't have an investigation going.

. Q And that is one of the reasons why you wanted the memo to be generated to the Department of Justice?

. A That's right.

. Q If, indeed, that were one of your motivations for sending the memo to Justice, would you not then have been more eager to involve the grand jury in at least subpoenaing

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records at that point?

. A No. I think that would be improper.

. Q You seem to be saying two contradictory things. I want to get it real clear.

. A Okay. I am not--and hopefully never going to do something in either law enforcement, grand jury, anything else, based upon a need to protect myself, and that if I said that I was using a grand jury because I was trying to counter a news story or a misstatement, then I would be--I would feel I would be doing something very improper.

. Q I understand that. That wasn't my point.

. A We were looking at this case the way we would look at any sensitive case. And I consider this sensitive because of the variety of the allegations. And I treated it the same way. My assistants treated it the same way.

. Q What was sensitive about this case?

. A What was sensitive about it was, first of all, the fact that there was the accusation of assassination plots and the bombing of embassies. That, in my mind, made it sensitive, and the fact that there was a lot of coverage about that aspect of it, that I recollect. That made it, to me, sensitive. That is why I was involved.

. Q The coverage you recall, was that over the assassination attempt?

. A There was a lot of coverage about it.

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. Q Was there coverage about the gun smuggling to the contras?

. A Yes.

. Q Did you not consider that sensitive?

. A I would say that would be sensitive, too.

. Q And the fact someone from the NSC was mentioned in the investigation would be sensitive, would it not?

. A Yes, though I must tell you I don't recollect focusing on that subject, other than the fact that it happened and they said it happened.

. Q At the meeting on May 20, what was the conclusion that you came to regarding how the case should be conducted?

. A The conclusion that was arrived at by everybody, and with my--obviously it was my call, my decision; I am the U.S. Attorney--was there should be a continuing investigation, but that it was premature to have a grand jury issue subpoenas for any records at that point.

. Q What specifically was to be done?

. A A number of interviews, checking ATF records. Those are the things I recall. Continued investigation, continued interviews.

. Q Who?

. A A variety of people. I don't recollect who. It was in the memo. I don't have an independent recollection of it. I do now because I know it is in the memo, but at that point, you know, whether I recollect what was discussed at the meeting--I do know what was in the memo.

. Q Did you have the memo redrafted?

. A Yes.

. Q By whom?

. A Initially by Jeff Feldman.

. Q And did you read that redraft?

. A No. I gave it to Larry Sharf first.

. Q Why?

. A Because I was sending it to the Department. He is my special counsel. I value his judgment. He was involved in the initial discussion and I wanted him to review it before I sent it to the Department.

. Q Did you see his revision? In other words, did you know that those were his revisions, not what Mr. Feldman had written?

. A I don't recollect. I don't recollect. It did not, quite frankly, make a difference to me. What I was sending to the Department, irrespective of who wrote it, it was my decision and was my--my office's product. So I was not particularly interested in which particular assistant did it.

. Q Well--

. A I stood by. It was my product.

. Q So is it my understanding now that you did not compare what Mr. Feldman had given you and then what Mr. Sharf returned to you?

. A No, because by that time--if you are referring to the fact that it did not have a recommendation to the grand jury, that I knew.

. Q No. I am referring to the many changes Mr. Sharf made in it.

. A No.

. Q So you weren't aware of changes he made in it?

. A I don't recollect the changes he made in it. I read the memo. I was satisfied it should go up to the Department as where we were going, and I sent it.

. Q Did he tell you he had made changes?

. A I don't particularly--my recollection--my recollection is that I would assume he did.

. Q Would you have discussed them?

. A I may have. I am aware that--I know now--I can't parse out from what I know now to then, that I know the changes were primarily in the conclusion to give justification and reflect more what we had discussed at that meeting.

. Q Who told you that?

. A I believe Larry Sharf.

. Q Did you ever ask Mr. Feldman about those changes?

. A No.

. Q When you sent it off to the Department of Justice, did you hear back from them?

. A No.

. Q From Mark Richard?

. A No.

. Q Anybody in Criminal Division?

. A No.

. Q Anyone at Main Justice at all?

. A No.

. Q Did you ever call about it?

. A No.

. Q Did you just figure they would get back to you?

. A No.

. Q Why didn't you call back to find out what had happened?

. A Because the purpose of the memo was not for them to do anything; the purpose of the memo was to give them the information of what I was doing. I did. That was all there was. It did not ask them to do anything. It was simply an informational memo from my office.

. Q You never heard back from anyone at Justice about it?

. A No.

. Q What about the case itself? Did you have any other inquiries from the Department of Justice?

. A I had no inquiries. At various times when I was on the telephone with Mark Richard, I would discuss issues with him, and I believe there were a number of times when I was on the phone with Lowell Jensen. I may have said this investigation was still going on. More at the beginning. But at this point in time, I don't recollect talking to any senior officials about it.

. I recollect talking to Mark Richard because of the concerns we have about the Neutrality Act.

. Q The legal concerns?

. A Yes. They have been raised in a variety of meetings. I had discussed with Mark Richard memos that could get out of the Department on the Neutrality Act, legal angles.RPTS DINKEL

DCMN BANMAN

3:45

. Q Did you consider assigning any more attorneys or any other attorneys to this case?

. A I considered assigning another supervisor to supervise what Jeff was doing. I asked Joe McSorley to do it.

. Q Your chief assistant?

. A Yes.

. Q When was that?

. A I can't recollect exactly the time period.

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. Q Well, was it soon after this meeting or way down the road?

. A I think it was way down the road. I do not recollect doing it at that point in time. I may have also asked Dick to keep on top of it.

. Q Who?

. A Dick Gregorie, chief of the Criminal Division.

. Q Did you ever consider putting more assistants on it, double-timing it?

. A No.

. Q Is that rarely done in Miami?

. A Yes.

. Q Seeing as though this was a sensitive case and a rather complex one, did you ever consider putting a more experienced attorney on the case?

. A No. But that is why I asked at some point in time to have a supervisor keep close watch of it.

. Q Did you ask for any periodic reports of any kind?

. A No.

. Q Now, were you aware of Mr. Feldman's trip to Thailand in June?

. A Yes.

. Q Were you aware that he had been assigned the Thai case?

. A Yes.

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Q How did that come about?

A That came about because the case had been assigned to Pat Sullivan, who was a senior litigation counsel. At that point in time the State Attorney had asked us to take over a very sensitive case involving allegations of murder and civil rights violations by seven former and current police officers of the Miami Police Department.

Pat had the experience. Pat had the background to do that type of thing. And I wanted him to do it because of the--again, the sensitivity. It involved public officials. It was important to me. I wanted him to do it.

The other case was a drug case, which we have lots of. I felt his time was better spent doing this particular case, and there was a time limit on it because of things happening in the state system. Therefore, there had to be substantial and immediate[redacted] grand jury work.

I did not assign Jeff to the case.

Q To the Thai case?

A Right. We needed an assistant for that because I wanted Pat Sullivan to work on the Miami River Cops case.

Q Who made the decision to assign Feldman to the Thai case?

A Probably Dick Gregorie, the chief of the Criminal Division.

Q Did he discuss that with you before he made that decision?

. A I don't recollect. At that point we were having problems with Gramm-Rudman. I had my trials--they had gone up 20 percent. I was running about 30, 35 trials a month and I needed people. A lot of investigations at that point were sitting on the back burner because of the trial schedule and because of the reduction in the number of assistants I had. He was available.

. Q At that time was there any consideration given to giving the case to somebody else because he had to try these other cases?

. A No.

. Q From that time, I guess, that the memo is sent on June 3, 1986--

. A Right.

. Q --until you received the FBI memo--

. A Right.

. Q --what activity, what contact did you have with this investigation?

. A Very little that I am aware of.

. Q Did you have any conversation with Mr. Richard or Mr. Jensen or anybody else with the Department of Justice?

. A I don't recollect any.

. Q Did you have any discussions regarding this case with any other Federal agents?

A No, not that I recollect.

Q Were you in Miami for the summer of 1986? In other words, did you travel for a great deal of time?

A I had a vacation.

Q Do you recall when?

A Pardon?

Q Do you recall when?

A In August, about ten days.

Q Early August, late August?

A Middle August.

Q When do you recall receiving the FBI memo?

A Shortly before I went on vacation. I took it with me. I read it--reviewed it a little bit. When I came back, I put a little yellow sticker on it to Dick Gregorie to review and give me his recommendations.

Q Was this memo sent to you by your supervisor at the FBI or by the case agents directly?

A FBI--Jeff gave it to me.

Q Jeff gave it to you?

A Yes.

Q In terms of the form of it, was it to/from, do you recall?

A No, I don't recollect that. I remember it was thick, quite thick.

Q Was it an internal memo or a transmittal?

A I don't recollect that either.

MR. FLYNN: Are we talking about an FBI report?

THE WITNESS: Yes.

MR. FLYNN: Vis-a-vis the memo?

THE WITNESS: I am sorry? I don't understand the question.

MR. FLYNN: It is my experience that an FBI memo does not go outside of the Bureau. That is an internal communication?

THE WITNESS: This was a compilation, I believe, 302, etc.

MR. FLYNN: It would be fair to say this is probably a report?

THE WITNESS: Yes.

MR. FLYNN: Okay.

THE WITNESS: I looked at it briefly while I was on vacation. Very briefly. Then when I came back, I put a little yellow sticker on it and sent it to Dick Gregorie for review and his recommendation.

BY MS. NAUGHTON:

Q What was the substance of the memo?

A I really don't remember now. Like I say, I looked at it briefly. It had a compilation of 302s. I sent it to Dick Gregorie when I got back, because I wanted him to look at it in depth to see whether he thought it was appropriate to start the grand jury.

He sent me a memo back. Shortly after, a couple weeks after, two or three weeks after he sent it to me, it was in my in box. I got to it. I wrote on the memo that Dick sent to me to go forward.

Q What had changed?

A Primarily it was at this point in time Dick's recommendation where initially he was very strongly saying that there wasn't sufficient--

Q But what specific fact had changed your minds?

A Again I relied in that particular case on Dick Gregorie. I did not question him on that.

Q Is this the memo from him to you, dated October 6?

A Yes, that's right.

Q Do you remember discussing this with him or just reading the memo?

A No. Just reading the memo.

Q Do you recall making handwritten comments on that?

A Yes.

Q Was that sent to Mr. Feldman?

A Yes, it was.

Q Do you recall telling Mr. Feldman to use the grand jury in whatever way he deemed necessary?

A I wrote on the memo, ''Start a grand jury investigation.''

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. Q Were there any restrictions you applied to that grand jury investigation?

. A No.

. Q When were you aware of the Hasenfus crash?

. A During the same time period. Obviously there were things in the paper.

. Q Did the crash figure into your decision?

. A It may have. Because of what I was reading, it may have made me search out that memo, because I remember giving it to Dick.

. Q You say you searched it out?

. A In my file. I looked first in mine. I had it. I looked at it. I read his memo. I signed off on it.

. Q In the press accounts that you had read regarding the Hasenfus crash, had you read the name Oliver North? Had that appeared?

. A No. I must say that I did not recollect--what I was focusing on there were the guns, the twelve weapons and the mercenaries. That was the focus of our investigation.

. Q From the period of May 20 when you all met until October 6 or 7 or 8, whenever you finally made the decision, do you recall asking Mr. Feldman what the status of that investigation was?

. A No. I spoke to him--I remember discussing it once with him. That was the end of August. That is because I

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received a very strange communication purportedly from John Hull. That came on April 27. It was a letter to me--

. Q April 27?

. A I am sorry. August 27.

. That was a letter to me with copies of letters to Senator Lugar and Senator Warren Rudman. It contained affidavits of a variety of different people.

. Q Mr. Glibbery?

. A Mr. Glibbery, Davis, Carr, Terrell. That was in Spanish. These had all been--all had been communicated to the Senators. The gist, from what I recollect of it, was accusing a senator of misconduct.

. Q By who?

. A By these people. Through these affidavits.

. Q Your understanding was they were charging whom with misconduct?

. A A senator.

. Q Messrs. Rudman and Lugar?

. A No. The letter went to Messrs. Rudman and Lugar. The memorandums--my impression of reading it was--were alleging improprieties of another senator.

. Q Senator Kerry?

. A Yes. I found--I had difficulty with those documents. I was planning to go to Washington a couple of days later anyway. I did not show Jeff Feldman those memos.

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I said--when he came to see me somewhere around that time period, I said I don't want you to do anything on the case until I come back from Washington.

I went to Mark Richard with the memos, with the documents. He made copies. I took the originals back. I told him we were going to go forward to find out what the hell is going on with these memos--with these affidavits.

I came back. I also asked Mark Richard for some memorandums of law on the Neutrality Act, which he gave me. When I came back from Washington the following week, I gave Jeff the affidavits--the entire package that I had received and the memorandums of law.

I said I want you to do some research on the memorandums of law and I want you to check out the validity of these memorandums, these affidavits.

Q When you went to Washington, had Mr. Richard seen these affidavits before?

A No, wait. I don't know the answer to that. If you are asking did I send it to him, no.

Q But did you get the impression he had--did he say yes, I have seen these before?

A I don't recollect. I don't recollect.

Q What was the status of his knowledge about the investigation? In other words, did you have to rebrief him on everything that had happened or was he up to date with it?

A I told him we were still doing the investigation and were concerned--do you have anything on--any memorandums of law on the Neutrality Act, which we had great concern about, and do you have anything, any memorandums, so we don't have to re-invent the wheel.

He gave me a couple of memorandums.

Q But specifically as to the affidavits, what did you ask him or what did you tell him?

A I told him these were the affidavits, this is a document I received allegedly from John Hull. I gave him the whole package. He said could I Xerox this. I said sure. He took Xeroxes. I took the remainder back. I am certain I told him we are going to find out what the story is with these affidavits.

Q What did Mr. Richard say regarding the Kerry investigation?

A There was no Kerry investigation. I don't understand.

Q What did he say about Senator Kerry?

A Nothing.

Q What did he say about these affidavits?

A Nothing.

Q Had he read them in your presence?

A I believe he did. I had concerns about it. I

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quite frankly did not believe them.

. Q So what were your concerns?

. A That I was being in some way set up by somebody and I couldn't figure out who.

. Q To get you to look into these allegations?

. A Yes, possibly. I just didn't know. I felt that the affidavits were amateurish. They did not make sense to me.

. Q Yes.

. A But before I asked Jeff to look at it, I wanted the Department to know I was going to make inquiry about the validity of these affidavits, and wherever that may lead me.

. Q Were you aware of the Honey litigation?

. A Oh, yes. I was aware that it had been filed, yes.

. Q Did you discuss that with Mr. Richard?

. A No, I didn't discuss it with him. They had asked me originally for a copy of it. I sent it to them sometime after it was filed.

. Q Who asked you for a copy of it?

. A Mark Richard, I believe.

. Q Did the civil litigation, the Honey litigation, come into your thinking at all when you received these affidavits?

. A No.

. Q So your concern about them was what exactly?

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. A That I was trying--someone was trying to have me investigate a senator, either to embarrass me or to embarrass the senator--embarrass me because if it was nonsense, why am I investigating a senator; to embarrass the senator because the allegations were scandalous.

. Q Did you send copies of these to the Office of Legislative Affairs?

. A No.

. Q Did that enter your mind at any point?

. A No.

. Q What did Mr. Richard--did he say what he would do with that information?

. A No.

. Q Was there any agreement you would get back to him or he would get back with you?

. A No.

. Q Going back for a minute, when you told--first of all, why didn't you show the affidavits to Jeff Feldman and ask him if he knew of this or had talked to these people or--

. A I didn't want to color his investigation. I felt that I just did not believe them, and I didn't want to detract from the other investigation. That is why I didn't show it to him. I didn't want it disseminated because they contained, in my mind, scandalous allegations about a senator, and before I gave it to anybody I wanted to give it to--show it to Mark Richard and discuss it with him and tell him what I was going to do.

. Q What did you tell Mr. Richard you were going to do?

. A We were going to check out the truth of this.

. Q Wouldn't it be playing into this person's hands if you were going to investigate it?

. A That's why I wanted to talk to him before I did it. I was going to do it, but I was going to tell him before I did it because it could come back at me. It would come back through Justice. I wanted them to know I was going to do it. I wanted to find out if this was the truth.

. Q What was his response to that?

. A Okay, do it.

. Q Did he suggest any ways to do it?

. A No.

. Q What way did you propose to check it out?

. A When I came back, I gave it to Jeff and I said can you get--you interviewed all these people who are now writing these affidavits. Can you get hold of them? If you can, go back to these people, find out if they wrote that, find out the truth of these--of the statements they are putting in these affidavits.

. Q What was his opinion of the statements, of their credibility?

. A I don't think he believed them either. But we had to verify it one way or the other.

. Q Did Mark Richard indicate that he was going to report this to anyone?

. A No.

. Q Clear it with anybody?

. A No.

. Q Did he give you the opposite impression?

. A No. It was just that I said I was going to do this. He didn't say no.

. Q Did he indicate he would send copies of the affidavits to anyone?

. A No.

. Q Before you left to see Mr. Richard, when you first told Jeff Feldman not to do anything on the case, do you recall saying anything else to him at that time?

. A Yes. It was politics.

. Q That was the reason to hold off?

. A Yes. Because of the things that were going to senators and the things being said about senators in those telexes--in those affidavits. It had come in just two days before I was leaving.

. Q What were you afraid he would do?

. A Nothing.

. Q Then why tell him to hold off?

. A I wanted--just because I wanted to check this out

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and I wanted that done first because it was a logical step to me.

. Q You didn't explain to him, though, at the time what ''politics'' meant?

. A No.

. Q Did these letters, the affidavits, come to you directly?

. A Yes. By certified mail, I believe. There was a cover letter to me, a cover letter without an address, I believe, to Senator Lugar, and there is a cover letter to Senator Warren Rudman. I am not sure whether that had an address on it. It was a thick document and it was in an envelope from Costa Rica. At least it was purportedly from Costa Rica. It had a Costa Rica address on it, and I believe it had Costa Rican stamps on it.

. Q Do you normally get all mail addressed to you?

. A No.

. Q Why did this go to you, as opposed to someone who would have had the case?

. A Because it was certified, I believe. It was a certified letter.

. Q Did you have to sign for it?

. A No. Somebody brought it in to me.

. Q So all letters addressed to the U.S. Attorney that are certified go to you?

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A No. There is no specific rule about that. I must say that when there is a certified letter that is addressed to me, it comes to me. I don't know of any case that it hasn't. Obviously I wouldn't--it just wouldn't come to me. Generally that would happen.

Q Okay.

A Something to do with DHL.

Q All DHL letters that are addressed to you?

A When it is on DHL, it comes to me.

Q Do you have those letters in your notebook?

A I have them here, yes.

Q May we see them?

A Yes. I don't see why not. That is not part of anything.

Q If it helps you, I have already seen them in the Department of Justice.

A Okay.

MS. NAUGHTON: The reporter asked for a five-minute break.

[Recess]

BY MS. NAUGHTON:

Q We are back on the record.

Mr. Kellner, when you refer to serious allegations made against Senator Kerry in these letters, can you tell us specifically what allegations you were concerned about?

A That what I recollected of it, they said they were paying witnesses to lie. That bothered me.

Q Do you recall whether those allegations were Mr. Hull's letters or in the affidavits?

A I don't recollect. All I remember is it was in there. It bothered me.

Q I refer to Mr. Hull's letter of August 8, 1986, to Mr. Rudman, the second page, the last paragraph, which makes some mention of Democratic funds. Is that the passage to which you refer?

A Well, I said I don't at this point in time recollect exactly what is in the affidavits, but that is what struck out--those issues were the things that concerned me. Where he said he had been given money by the U.S. senator, both he and Steven Carr.

When I receive an allegation like that, it would impact on the investigation. Also, quite frankly, I did not believe it.

Q You knew Mr. Hull to be a target of the investigation Mr. Feldman was conducting?

A I knew Mr. Hull was involved, yes.

Q Who else did you see at the Department of Justice on this trip?

A The following day I saw Arnold Burns.

Q Why did you see Mr. Burns?

. A Resources. That was the purpose of the trip.

. Q To get more resources?

. A Yes.

. Q Was there any discussion of this case?

. A No.

. Q Did you see anybody else at the Department of Justice on that trip?

. A It is not on my calendar, I don't believe--I had gone to New Orleans first. I had gone to New Orleans to appear before a judge on another case involving a witness of ours.

. The only one I have down is Mark Richard. I probably had lunch with--I usually see Charlie Blau when I come up on narcotics matters.

. Q Do you recall what time of day you met with Mr. Richard?

. A Yes. It is on my calendar. September 3 at 1:30.

. Q Was anyone else present?

. A No.

. Q When you brought the affidavits and letters back to Mr. Feldman, did you tell him what to do with his results? In other words, was he to report to you?

. A It was implied he would tell me. I told him two things when I returned. I gave him the memos. I said I want you to do legal research on the issue that has been troubling us, because before we go with any case I want to make sure the Neutrality Act applies, and I said I want you to check out the truth that was--of the statements contained in those affidavits.

. Subsequently he came back and said that it was his--after discussion with as many people as he could contact, that they weren't true.

. Q Did they admit to writing them?

. A What I recollect of him telling me is that they had written affidavits but there were additions to the affidavits and that at least in one case the signature was not accurate. That is what I recollect.

. I also believe he said to me that even if they didn't write it, independently of that, it wasn't true. In other words, not only did they not write some of these statements, but it was not factually true in any event.

. Q Did he tell you the source of that information?

. A Yes. He said it was the people who were named as the affiants.

. Q Did they say why they wrote it, then?

. A I believe that at least one of the persons--and I don't recollect which one--said he wrote it because that was a way to get out of Costa Rica. That is vague. All I was satisfied with was that it wasn't true.

. Q Was there ever any discussion at this or any point to call the agency to find out if indeed John Hull was an operative there?

. A Not for me.

. Q Do you recall anybody else mentioning it?

. A No. But for some reason I have a recollection that he wasn't or was told that he wasn't.

. Q From your meeting with Mr. Richard until the FBI--I guess you got the FBI memo before your meeting with Mr. Richard?

. A That's right.

. Q Did you give him the FBI memo?

. A No.

. Q After the FBI memo is received and you have Mr. Gregorie review it, send it to Mr. Feldman, what comes next concerning your involvement with the case?

. A What goes on at that point, I know that I had a number of conversations with people in the Department from Public Integrity and from the Criminal Division about the case.

. All of this has to do with the issue of a special prosecutor. There also comes a point--

. Q Now wait. So we have it clear, is this the special prosecutor that was called for after the Hasenfus crash?

. A Yes.

. Q Not the Judge Walsh inquiry? I want to make a distinction.

. A I don't know the distinction. We are talking about December.

. Q Well, Mr. Jarrett and Mr. Martin came down to Miami on October 30.

. A Right.

. Q To conduct their interviews?

. A Yes. I have that in my calendar.

. Q At that time, of course, there was no Iranian independent counsel, no one knew about the Iranian arms shipments?

. A That's right.

. Q So I want to separate in your mind the two independent counsel requests. There is an independent counsel request after the Hasenfus crash on October 4th or 5th?

. A Yes.

. Q When he goes down?

. A Okay.

. Q That Marshall Jarrett and Mr. Martin are conducting.

. A Okay.

. Q Can you tell me about those negotiations?

. A Those?

. Q Discussions.

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. A They came down and said it was their responsibility to look at all the cases involving the contras. We had ~~won.~~ one. I said fine. I put them in contact with Jeff Feldman.

. Q When they came to you, did they know of a specific case?

. A Yes. Yes.

. Q Do you know how they were made aware of that?

. A No.

. Q Had you responded to an inquiry from Justice asking for all information regarding contra cases?

. A There was a telex that came down. I called--it came down from, I think--came down from the Criminal Division. I am certain I spoke to somebody up there and said you already hgave a memo that details at least through May, June, exactly what was going on in my case.

. The telex that I recollect had to do--they were trying to find out what cases there were. They already knew about my case because I had previously sent the memo. I either called Chuck Saphos, who I know because he worked in my office, or Mark Richard, and said you already know about my case.

. Q Is that the only way you responded to that then?

. A Yes.

. Q You didn't respond by teletype?

. A We may have and I don't recollect. I had the

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impression that the telex was trying to find out things that they didn't know. I knew that they knew about this.

. Q When Mr. Jarrett and Mr. Martin arrived, did they interview you or speak with you?

. A Yes.

. Q Did they ask you about the allegations regarding the slowing down of the investigation?

. A No. I am not sure that had surfaced yet.

. Q Did you speak to Mr. Jarrett and Mr. Martin together?

. A I recollect, yes, together. I don't believe it was very long.

. Q Do you recall who else was there?

. A No.

. Q Did you send them to Mr. Feldman?

. A Yes.

. Q Had they already seen him?

. A No. I believe I sent them to Mr. Feldman. I think they saw me first. And since I wouldn't have had the specifics, I would have sent them to Jeff for anything that they needed with respect to the case.

. Q Now the OPR investigation--I may be jumping ahead--but when did that commence?

. A There were a number. The first one--the first one was when the allegations came out by John Mattes and Ralph

Amastri that Jeff Feldman told them in March of '86 that the Department of Justice was not going to investigate this case. I called for that investigation.

. Q So you started that investigation?

. A Yes. Well, I didn't start it. I wanted it done.

. Q Do you know who initiated it?

. A I'm sorry.

. Q Do you know who initiated the investigation?

. A I don't know what you mean by ''initiated.''

. Q How does OPR find out about it?

. A I call and tell them.

. Q Did they complete their inquiry?

. A They told me they had.

. Q Did you ever see a final report?

. A No.

. Q No letter or anything?

. A No.

. Q Did you talk to Mr. Sheehan?

. A Yes.

. Q Did you ask him what the status of that was?

. A Yes.

. Q What was his response?

. A It was concluded but because of new allegations that came--were coming out in the Village Voice, the special prosecutor wanted to go over the whole thing again, at least other parts of it.

So rather than issue piecemeal, they held up. That is what they told me.

Q So when you refer to special prosecutor now, we are referring to Judge Walsh?

A That's right.

Q What I am confused about is you said that it was initially over the Mattes allegation that Feldman said that DOJ was not going to prosecute, right?

A Not going to go forward. I believe that was the first--it was my practice, and it is my practice, whenever there is an allegation against an assistant or the U.S. Attorney--which hasn't happened that often except in this matter--that no matter what I believe about that allegation, I send it to OPR, that is how they find out, irrespective of what that allegation is.

It is my position that OPR investigate everything, any allegation. So whatever allegation there was, I sent up there immediately.

Q Were there any other allegations that were sent to OPR either by you or anyone else?

A Yes. Every time there was an allegation made--for example, there was an allegation made that on April 4 I received a call from the Attorney General to can any indictments. I sent that up.

When there was an allegation--this allegation I sent up.

Q To can an indictment--that is not--

A Can four indictments, in this case.

Q In this case?

A Yes.

Q Okay.

A It was always this case. We haven't had any allegations except in this case.

Q Any others that you sent to OPR?

A I don't recollect any.

Q What was your position regarding giving the case over to the independent counsel?

A I was of two minds. Quite frankly, initially I wanted to keep it. I wanted to keep it because by that time there had been allegations made that I had delayed it and that I was submarining the investigation and the only--I felt that I had to complete it to show that it wasn't true. But on the other hand, I felt I was also in a no-win situation, because no matter what I did--because I knew what was in the investigation. No matter what was going to come out of this, it was not what people expected, based upon what I understood of the facts.

When I--there were six tons of weapons, there were massive amounts of money, none of which, at least as I saw in the investigation, was true. If I came down with an investigation, came down with an indictment alleging that twelve guns were shipped out of the Southern District of Florida, which probably are shipped out--I have more gun cases than any place else in the United States, I have more gun cases than most circuits--that it will again look like I had covered up.

So quite frankly I felt I was in a no-win situation. But I felt I had started this and I was going to conclude it and it was my job and, if they want to say I covered it up, that's terrific, but I was going to do my investigation.

Q Okay.

A I had discussions with the Department on that.

Q So your ultimate recommendation was to keep the case?

A No. Ultimately in the discussions with my own people and the Department, it was agreed there was a no-win situation on this and they were going to recommend it.

Q Going to recommend what?

A To Walsh that they take it over, because it was felt that with the cloud hanging over me and the Department in this affair, the only way it could come out is by giving it to the special prosecutor. I was not happy with that decision, but I understood it.

. Q And obviously he decided not to take it, or at least the substantive phase of it, shall we say?

. A He decided not to take it, that's right.

. Q When did you receive that notification?

. A Sometime in January, because there were three requests that I am aware of, or two requests that I am aware of. First it was included in the list--and this is--I am being told this; I did not see the documents until sometime afterward. There was a list of a number of cases that were given to him. There were discussions.

. He came back and said I'm taking 10, 14, 33, and not taking whatever the numbers were. My case was one of the numbers that he refused to take. The Department wrote another letter to him, asking to take it. They sent me a draft. I had problems with the draft.

. Q Why?

. A Because I was always--I was always of two minds. On the one hand, I wanted to complete this. On the other hand, I recognized no matter what I did, I was going to be criticized. I felt a strong obligation and a belief that I had to vindicate my integrity, which has been impugned here, and it was always those two countervailing factors, that if I took it away, if it was taken away from me, it looked like I don't have the integrity to conclude this sensitive investigation. I didn't like that because I did and I do.

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On the other hand, I always saw the problem, the political problem, which I have always tried to avoid, but I wanted to get it done. I also felt he had the opportunity. He reviewed the facts. I was concerned that by the Department asking again, it looked like the Department didn't believe me and the Department impugned my integrity. I didn't like that either.

It looked like because of what had happened with the--what I believe to be spurious allegations, they were in some sense accepting, and I didn't like that either, irrespective they sent the letter. It was rejected again.

Q At the Department who were these conversations with?

A A variety of different people. I believe I spoke to Steve Trott, James Knapp.

It always had to do with my personal integrity.

Q Did you speak to Bill Hendrix?

A I don't recollect.

Q How about Mr. Weld?

A I spoke to Mr. Weld about this. I probably spoke to Bill Hendrix. I spoke to a whole variety of people, because I was not happy with any impugning of my integrity. I felt this whole process was doing that.

Q Did you speak to anybody on Walsh's staff?

A No.

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. Q So all your communication with them was through Main Justice?

. A That's right. I never spoke to anybody on Walsh's staff.

. Q Let me go back to December 2nd. I believe there is a meeting between you and Mr. Sharf, Mr. Gregorie, regarding some FOIA requests from a San Francisco TV or radio station?

. A I have that on my calendar. I don't recollect what the discussion was. I thought it had to do with something else.

. Q With what?

. A I thought it had to do with whether or not we were required to stop the investigation, that we could not do anything because I know that was discussed at the time period.

. Q You mean until an independent counsel was appointed?

. A No. Until it was determined whether or not--well, one was appointed and, two, that he would take this case. That had to do with one of the sections of the statute, independent counsel statute, which says the Department can't do anything on a case.

. Q Was anything else discussed at that meeting?

. A As I said, I don't recollect the meeting at all.

. Q Is there any other meeting or any other incident

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relevant to this investigation that we haven't covered? I want to move on to another topic. I want you to think carefully.

. A I believe that this entire process where I have been accused is politically motivated. I believe that there has--for some reason I have been picked on to do this in order to do something which I am not aware of why.

. Whenever I have provided information, for example, about the allegations to anybody, about allegations--for example, the Mattes allegations--no one has ever asked me about it. No one has asked me or Jeff Feldman what happened at that meeting, what discussions were held, what was the motivation. That concerns me.

. That is really--I can't think of anything else.

. Q Do you feel like, so far as this subject matter is concerned, that we have covered those things?

. A No, you haven't.

. Q All right. What meetings are you referring to that we haven't discussed?

. A Well, for example, Mattes makes the allegation that Jeff Feldman told him to slow down. You did not ask me did I ever tell Jeff Feldman to tell him that. The answer to that is no.

. You haven't asked me about, for example, there is an allegation that--a new allegation that on May 20 I received a call from somebody, either Trott or Jensen, to change my recommendation or change the decision from going to a grand jury and not continuing the investigation without a grand jury. No one has ever talked to me about that. No one ever asked me. No one ever knew what I was doing. No one ever knew I was preparing a memo because it was my call. It was my choice and my office's choice.

. This investigation was conducted, whether rightly or wrongly, by my office in the way we thought proper and there was never any pressure or any discussion from anybody, be it the Attorney General or anybody else, on how to conduct this investigation.

. Q Were you interviewed by Judge Walsh's staff?

. A Yes.

. Q When was that?

. A Oh, it was any number of times fairly recently.

. Q After the Village Voice article came out?

. A Yes. One of them. That's another question you never asked me.

. Q What?

. A Did I make up the plot to assassinate me.

. Q Was there a plot to assassinate you?

. A Yes, there was. It was alleged that I made it up to avoid testifying.

. Q At our hearings?

. A No. It just said before Congressional committees.

. Q It didn't specify which.

. A I knew what it was. It was in Fort Lauderdale. They wouldn't specify because it had nothing to do with this issue. The Village Voice said I made up an alleged assassination attempt against me.

. Q Was this a threat that you had received?

. A No. It came through a confidential informant in Colombia.

. Q So it wasn't a threat, it was--

. A It was intelligence information that there was an assassination team being sent to Miami to kill me.

. Q Is this in connection with the drug case?

. A Yes.

. Q Drug activity generally?

. A Yes.

. Q And did you not testify at this hearing?

. A Well, what happened was the marshals, at their recommendation, since the information we had at the time was that they were prepared to use large rockets to kill me, was that I leave town and that I go to a secure location with my wife.

. Q Yes.

. A Which we did. The issue that was addressed at that hearing was forfeiture. The allegation that was in the

Village Voice was that it had to do with the contra matter.

. Q The issue was forfeitures?

. A Yes.

. Q Who was conducting the hearing?

. A Congressman Hughes. I spoke to him directly about it.

. Q What did he say?

. A Fine. Sorry to hear about the information.

. Q Did you talk to him before the hearing or after the hearing?

. A Before the hearing.

. Q Did he excuse you from attendance?

. A Oh, sure.

. Q Was there anything you were asked or that you said to the investigators from Mr. Walsh's staff that we haven't covered here?

. A I don't recollect it.

. Q Did you provide any documents that are not reflected in your calendars or your notebook?

. A Yes.

. Q What--

. A We haven't yet. They have asked for--they have asked for our case file.

. Q The substantive case file?

. A Yes.

. Q If I could move on to another subject, the SAT investigation--

. A Southern Air Transport?

. Q Yes.

. Were you aware that either Customs or FBI or both were undertaking investigations after the Hasenfus crash?

. A Yes. I came to a point where I was aware of the Southern Air Transport investigation by Customs.

. Q Can you recall how that came about?

. A Yes. One of my assistants was assigned to it. Actually not by me. It came through normal channels. Richard Scruggs came down and showed me a copy of a Customs report on the case and said it hadn't been referred here but they were intending to refer it to our office.

. Q Do you recall when this was?

. A Sometime in November.

. Q This was before the Iranian story broke, or after?

. A Before. It was before.

. Q So it would have been very early November?

. A It was before.

. Q And what happened?

. A Well, nothing. It was for my information.

. Q Okay.

. A Because it hadn't been referred to our office, there was nothing for us to do. There came a point where

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they did send it over.

. Q That was in December?

. A I don't recollect if it was in December or not. Could have been late November.

. Q Were you aware of the issuance of any grand jury subpoenas?

. A Yes. Yes.

. Q Can you tell me how you became aware of that?

. A He told me he was going to do it.

. Q When he first told you about the case, or later when it got referred?

. A Later, when it got referred.

. Q Okay. Did he?

. A Yes.

. Q Was that called back or modified in any way?

. A It was called back.

. Q How was that done?

. A Larry Sharf came in and said it was probably violating the law for us to issue the subpoena.

. Q Why?

. A Because of the special counsel.

. Q Okay. So this was about mid-December or something?

. A It must have been. It had to do with the special counsel. He showed me the statute that says you couldn't do anything. I believe we were also called by the Department to do it also.

Q Okay.

A It had to do with the fact that you can't do anything with a case that is intended to be turned over to the special counsel.

Q Then taking it back a step from the time of the Hasenfus crash the first week in October, were you aware of any investigation, either begun by Customs or the FBI, regarding that incident?

A No. I became aware I think the second week in October that they had gone--the FBI had gone out to Southern Air. The reason I found out about it, it was in the newspaper.

Q Did you ask the FBI about it or find out more about the case?

A No.

Q Did they consult you on it?

A No. They may have consulted one of my assistants, but they did not consult me.

Q You have no doubt seen or heard reports or watched Judge Webster's testimony in which there is indication where eventually he was told to slow down that investigation pending the Iranian flight.

What can you tell us about that, if anything?

A Nothing. The FBI case was never referred to our office. The only investigation that was was Southern Air--was the Customs Southern Air case, and all I had was the report that Customs gave me and the statement--Richard Scruggs showed it to me and said it hadn't been referred yet, just wanted to let you know it was coming in, it was another one of these contra things. I said fine.

. When it came in, a grand jury subpoena was issued, and then it was called back.

. Q Do you recall who from the Department of Justice called that back?

. A No. It wasn't a call to me either.

. Q Was it a call to Sharf?

. A It could have been. It was a call to somebody at the senior level about the fact that the subpoena may violate the law because we are not supposed to be doing that.

. Q Did Mr. Scruggs tell you that Customs had been asked to hold back or to modify the investigation at all?

. A No.

. Q Was he unaware of that?

. A I can't answer that.

. Q Have you discussed it since with him?

. A I probably have and the answer is no, because I would have remembered it. Obviously if my assistant would have known about a hold-up, I would have remembered that. I have no recollection of discussing the hold-up. The reason it would have stuck in my mind is that is what I am being accused of all the time. Certainly if it happened in my office, I would have been very attuned to it.

. Q I assume the Customs case was accepted by the independent counsel?

. A Yes. He accepted that case.

. Q Were there any other cases referred to your office other than the two we discussed?

. A No. There is only one case.

. Q That were referred, though?

. A That's right. Only one case was referred.

. Q What about the investigation?

. A You mean the Southern Air?

. Q No. Southern Air/Customs is sent to IC.

. A That's right.

. Q IC turns down--

. A Our case.

. Q --your contra case?

. A That's right.

. Q Were there any others that were even sent on the list for consideration?

. A No. No.

. Q Do you know Carl Spitz Channell?

. A What do you mean by do I know him? Do I know of him?

Q Other than media reports, do you know him?

A No.

Q Have you ever heard anyone discuss him, outside of media reports?

A No.

Q What about International Business Communications?

A No.

Q Were you ever asked to donate to them?

A No.

Q What about Richard Miller, do you know of him?

A No. I don't know who he is.

Q What about Ellen Garwood, do you know her?

A No.

Q Do you know of a business called Major Ray's?

A How do you spell it?

Q R-a-y.

A No.

Q Do you know Bill Langton?

A No.

Q Jim Bastian?

A No.

Q What about Robert Dutton?

A No.

Q Richard Gadd?

. . A No. Again--you know, without context, I have a problem.

. Q Yes. What I am asking is have you either spoken to, met these people or heard of them in your business or professional capacity, other than in the media account?

. A Well, the difficulty is I can tell you that I haven't spoken to these people that I am aware of. But with respect to whether or not I have investigated them, there would have to be other contexts. I don't--I know that I don't know them in those capacities.

. It may be if they are involved in something else where there is a corporation or something involved, I may know them in that capacity in terms of investigations.

. Q I am just asking if these names ring bells.

. A No, they don't ring bells.

. Q Thomas Clines?

. A Clines?

. Q Clines.

. A No.

. Q Linda Chavez?

. A No. The only thing that I have there, the reason I paused, was the union leader, Cesar Chavez.

. Q No. This is a candidate for office in Maryland.

. A No.

. Q [redacted]

. A [redacted]

. Q Dewey Clarridge?

. A No.

. Q Stanley Sporkin?

. A Yes.

. Q How do you know Mr. Sporkin?

. A I know Mr. Sporkin because of my work in private practice.

. Q You had a civil case together?

. A Stanley Sporkin was chief of SEC enforcement. My firm was appointed counsel to the liquidators of the dollar funds which was controlled by IOS, which was controlled by Robert Vesco.

. I was appointed--my firm was appointed liquidators--counsel to the liquidators--court-appointed Luxembourg liquidators of one of nine dollar funds, which was the mutual funds.

. Stanley Sporkin was involved in that very heavily because of their lawsuit in 1972 against Robert Vesco. That is how I know him.

. Q Had you had any contact with him since he went to the CIA?

. A No.

. Q What about Richard--I asked you about Richard Miller, right?

. A Yes.

. Q H. Ross Perot?

. A I know who he is.

. Q That's it?

. A Yes.

. Q Buzz Sawyer?

. A No.

. Q Richard Secord?

. A I know who he is.

. Q But did you know who he was before the Iranian story broke?

. A No--yes, I did. I am sorry. I did know.

. Q How?

. A Because of the Martha Honey lawsuit. I read the names on the list. Obviously his name was on the list.

. Q He was a named defendant?

. A He was a named defendant. That's how I remember.

. Q Ted Shackley?

. A His name is also on there as a defendant.

. Q John Singlaub?

. A His name is also a defendant.

. Q Do you know him through any other context?

. A No.

. Q Faith Ryan Whittlesey?

. A Say that again.

. Q Faith Ryan Whittlesey?

. A No.

. Q William Cooper?

. A No.

. Q Charlie Allen?

. A Is that the Charlie Allen--the investment banker in New York?

. Q No.

. A No.

. Q Elliott Abrams?

. A Yes.

. Q In what context?

. A I know Elliott Abrams is an Assistant Secretary of State.

. Q Have you ever met him?

. A No.

. Q Ever spoken to him?

. A No.

. Q Ever had any correspondence regarding him?

. A No.

. Q Other than knowing he is what he is, do you have any contact?

. A What did he do before he was at that job?

. Q He headed Human Rights.

. A Before that?

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. Q I don't know.

. A Was he a professor?

. Q Could have been at CSIS?

. A Where?

. Q Georgetown, Center for Strategic Studies.

. A I don't know why I always thought he was a professor at Harvard Law School.

. Q I don't know.

. A How old is he?

. Q 40s.

. A No, it couldn't have been. It had to be somebody different. It is somebody--I always thought the name was from law school. That was a professor. That is who I thought it was.

. MS. NAUGHTON: I will hand it over to my colleague.

. EXAMINATION ON BEHALF OF SENATE COMMITTEE

. BY MR. McGOUGH:

. Q My questions are going to be follow-up. I will go through my notes as they arise. If I jar you around a little bit, timewise, just let me know. Try to stay with me.

. You mentioned that perhaps one of your earliest contacts with Mr. Richard over the contra investigation arose out of a letter that may have been received by both of you from Garcia's wife? It was directed to the Court.

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. A It wasn't a ''may.'' I received the letter. I have a very distinct recollection of receiving it from Judge Atkins.

. Q Apparently Richard also got a copy of the letter somehow?

. A Yes.

. Q What did the letter involve?

. A Well, it was allegations that Mrs. Garcia's husband was being railroaded and the reason he was being railroaded, he had information about an attempted assassination plot of Ambassador Tambs and a plot to blow up certain embassies in Latin America, Central America, and I believe it also talked about a million dollar payment from Jorge Achoa.

. Q Was that the first contact you had with anyone from the Department of Justice about the--over the Garcia case?

. A It was the first time I ever knew about the Garcia case.

. Q What was Richard's interest in the matter?

. A He asked what was going on, what was it about.

. Q Did he indicate to you how he got the letter?

. A No. He never--I must say he never indicated to me he got the letter. I knew he knew the information because he asked me about it.

. Q What exactly is his position within the Department of Justice?

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. A Deputy Assistant Attorney General in the Criminal Division.

. Q Does he have any specific responsibilities other than backing up the Assistant Attorney General?

. A Yes. I believe that he is--one thing I know he is responsible for is the Office of International Affairs. But quite frankly, I think that is why--I think at that point I assumed that's why this came under his jurisdiction, because it was an international matter. I wasn't surprised to receive a phone call from him.

. Q Moving a little bit ahead, Mr. Feldman went to--after he returned from speaking to Mr. Terrell in New Orleans, there was some discussion and ultimately you told him or at the same time you told him to go to Costa Rica and check out some of the allegations that were being bandied about?

. A Right.

. Q At that time did you believe it was an assassination case or a gun running case or both?

. A Both.

. Q At that time were you aware of any involvement or any alleged involvement by Government officials?

. A Jack Terrell was saying he was paid by the CIA and there was a story about he being asked to infiltrate the CIA. That was part of the conversation, that Jack Terrell

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told my assistant.

. Q Was that one of the allegations you felt was worth following up or did you dismiss that as being incredible?

. A I didn't focus on it. I wasn't sure what the violation was, even if he was doing anything. My concerns at that point were the two major--the three actually, that we were being used by three concerns: one, that we were being used and we had a bogus case, which bothered me; two, that there was an assassination plot and an attempt to bomb our embassies; three, gun running, six tons or huge amounts of weapons coming out of South Florida.

. Q Were you concerned about governmental involvement in that gun running at that point?

. A No. No.

. Q You didn't view that as a significant--at least at that point--a significant aspect of the investigation?

. A I am not sure I even knew there was any allegation that any government agency was involved with that particular gun running.

. Q After Mr. Feldman returned from Costa Rica, you had a meeting at which it was you and he, Ms. Barnett, Mr. Sharf and Mr. Gregorie?

. A Right.

. Q Can you tell me as to the latter--the last three, what each one's position is in the office and why they were present?

. A Now or then?

. Q Then. At the time of the meeting and why each one was present at the meeting.

. A Dick Gregorie, chief of Criminal; Larry Sharf, my special counsel; Ana Barnett, my executive assistant.

. Q I can understand chief of Criminal. Why were Mr. Sharf and Ms. Barnett included in the meeting?

. A Because I trust their judgment.

. Q Were they--

. A And they have a lot of experience--Ana not so much in the criminal side, but Larry Sharf has been a career prosecutor. That's the reason. I very often have meetings in a variety of different cases and call those people in.

. Q So you had them there more for their judgment than for their organizational responsibilities?

. A Yes.

. Q Do you frequently call that collection of people together--

. A Yes.

. Q --to discuss matters?

. A Yes.

. Q Are there any--I am trying to get a picture of how you are organized. You mentioned one other name at one point.

. A Joe McSorley.

. Q What was his position?

. A He was chief assistant.

. Q Is there anyone else that you might usually include in such meetings?

. A Yes.

. Q Who is that?

. A Linda Hertz.

. Q H-e-r-t-z?

. A Right.

. Q What is her position?

. A She is chief of my appellate unit.

. Q Was there any reason why she or Mr. McSorley were not present at that meeting?

. A Linda Hertz was on sabbatical at that time.

. Q Mr. McSorley?

. A I don't believe he was available.

. Q How often do you talk to Mr. Jensen or Mr. Trott, or did you at that time talk to Mr. Jensen or Mr. Trott?

. A Often. Trott not that often; Jensen, often.

. Q Once a week?

. A Depends. In March of '86 we had just--we were in the process of arresting that minister, head of the Army of Surinam. A lot of communication concerning that. So it depended upon specific types of matters.

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. We have a lot of cases that have international notoriety and those types of instances I would speak to him.

. Q How about Mr. Trott? How many times would you have spoken to him?

. A When Mr. Jensen was there?

. Q Yes.

. A Not often, if at all. There were some, but not very--not on any kind of frequent basis.

. Q Do you ever recall discussing the Garcia contra case with Mr. Jensen?

. A Not specifically, but I assume that I did.

. Q Can you give me a context that might have led you to do that?

. A Because I felt that it was a case that was sensitive. I talked to him about those sensitive cases and, therefore, would have done it. But I don't have a specific recollection. When they call, they discuss a specific case.

. I will say not only that, but we are still going forward on that one.

. Q Did you ever recall Mr. Jensen inquiring specifically about that one?

. A No.

. Q Now about Mr. Trott, do you have any recollection of discussing this case with Mr. Trott?

. A Not at all. I don't believe I ever discussed this case with Mr. Trott.

. Q Mr. Leiwant?

. A Leiwant.

. Q Is he in your appellate section?

. A Yes.

. Q How long has he been with the office?

. A About a year and a half, two.

. Q You mentioned that he came to you and said he was the person--

. A He went to Ms. Barnett and Mr. Gregorie.

. Q And indicated he was the source of the story about the call from Jensen and Trott?

. A Right.

. Q To your knowledge, is there any reason why Mr. Leiwant would falsify that story?

. A No.

. Q You have no--do you have any reason to believe that he is politically inclined or politically motivated?

. A I don't ask people about that. It is none of my business.

. Q I understand you may not ask them.

. To your knowledge, there is no reason to believe he is politically motivated?

. A No. He said that he was a friend of John Mattes.

. Q Do you know that to be true?

. A He said it.

. Q Said that to whom?

. A I think he said that to Ana Barnett. He said he disclosed these communications, what we were doing on the case, to John Mattes. He mentioned it to him.

. Q Did you consider that a breach of office confidence?

. A I believe that is an ethical breach, yes.

. Q Have you taken any steps regarding that?

. A No.

. Q Have you spoken to him about it?

. A No.

. Q Have you had any of your associates speak to him about it?

. A No.

. Q Have you attempted to isolate him in any way or otherwise prevent a recurrence of that breach?

. A No.

. Q In the meeting following Mr. Feldman's return from Costa Rica, you said you began to consider the Boland amendment?

. A That's right.

. Q You considered it worthy at least of having someone go out and try to find exactly what the Boland amendment was?

. A That's right.

. Q Then is it fair to assume that at that point you began to at least suspect some involvement by some Government official in some aspect?

. A We had allegations. We were looking at those things, the same way we looked at the Neutrality Act. We came back, we had--Jeff came back. We heard these things. We were looking at possible violations.

. Q Do you recall who the Government officials were that you were discussing as being involved?

. A No. We were looking at the Boland amendment. In part we were looking at the Boland amendment because of the Neutrality Act, because we had a big difficulty with it. We still do.

. I do not--at that point in time the Neutrality Act says that it is illegal to begin--to set afoot a military enterprise against a country we were at peace with. The problem that we have in the case--and, quite frankly, it is one of the problems that continues--is how do we say we are at peace with Nicaragua when this Congress and the Administration have provided money, have provided arms and have said that they support the contras.

. Q I understand.

. A That is a concern.

. The Boland amendment had to do with that. The

Boland amendment cut off the aid. That's what we are looking at.

Q I understand. The Boland amendment and the Neutrality Act actually are different sides of the same coin. The Boland amendment--the Neutrality Act covers private contracts and the Boland amendment imposed restrictions upon the use of Government funds and Government involvement in Nicaragua; is that fair to say?

A Oh, yes. At that point what we were looking at again was preliminary. We had just got--Jeff had just gotten back. We were looking at the whole thing. We didn't even know what the Boland amendment was at that point in time.

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. There were concerns raised. What we were doing was brainstorming at that point.

. Q Can we agree that some of the concerns raised were concerns over possible involvement of government--United States Government officials in the activities under investigation?

. A Yes.

. Q And do you recall the concerns being raised in connection with Colonel Oliver North?

. A No.

. Q Do you recall mention of the National Security Council?

. A I recall mention of the National Security Council.

. Q Do you recall Mr. Feldman relating to you an incident that occurred in Costa Rica when he was talking to [redacted] I believe, [redacted] about Colonel North [redacted] saying to him, ''Do you know who Colonel North is? He's the man who introduced me to Ronald Reagan a few weeks ago.''

. A I do not recollect that.

. Q Did you instruct Mr. Feldman or did you or anyone in your office take any steps to check the allegations upward in the government; that is, contact people in the

Department of Justice to find out what they--what staffing of the National Security Council was making an attempt to have some contact in Washington to find out whether there, in fact, was involvement by the NSC?

. A I did not give specific instructions to them.

. Q Was that one area of the investigation that was discussed, that is, the Washington level?

. A Not really. Again, we were looking primarily at the two things: the gun running out of South Florida and the assassination attempts, and the investigation was that at its inception.

. Q We can agree that at least at that meeting there was a Washington connection discussed; that is, the NSC?

. A Yes.

. Q Did you discuss the use of the grand jury at that meeting? Did you discuss issuing subpoenas or finding bank records, anything like that?

. A No. Not at the April meeting. The April meeting was simply a status conference, status report on what we had found and that the investigation was continuing and that he was going to continue the investigation.

. Q In any discussion you might have had with Mr. Richard or Mr. Jensen, Mr. Trott or the Attorney General, did the names of Oliver North or the National Security Council ever come up?

. A No.

. Q Did you ever alert any of those people to the possible involvement of the National Security Council in any aspect of that investigation?

. A Other than what was contained in the memo that we sent up, no.

. Q I believe you said no one to the best of your knowledge ever followed up on that memorandum with you, just called to ask questions about it?

. A From the department.

. Q From main Justice?

. A No.

. Q Have you on other occasions sent memoranda to main Justice similar to the one you sent in this case? In other words, let me clarify that by saying it's not an action memorandum, it's just a for your information, here is what we are doing in this case sort of memorandum.

. A Yes.

. Q Can you give me an estimate of how many times?

. A No. I can only think of one off the top of my head.

. Q What kind of case was that?

. A It was a fraud against the government case.

. Q To whom was that memorandum directed?

. A The discussions in the memorandum went to Vickie

Toe[illegible]
~~Tunsing~~.

. Q Why was the memorandum submitted to Ms. Tunsing?

. A She asked about it, about the case.

. Q She asked for a memorandum?

. A She asked for a status report on the case.

. Q Did Mr. Richard ever ask you specifically for a status report?

. A No.

. Q In this case?

. A No.

. Q Can we agree that this--at least to the best of your recollection this is the only case you can recall where you sent an unsolicited status report to main Justice?

. A Yes. I explained why.

. Q Sure. I think you did in the course of Ms. Naughton's questioning. I thought you said, ''May I explain why.''

. A I explained why.

. Q Do you want to add anything to that explanation? I do not want to cut you off.

. A No.

. Q Let's go to the May 20 meeting.

. A Yes.

. Q Prior to that meeting, you and Mr. Feldman had both--had concurred that there was sufficient evidence to issue grand jury subpoenas?

. A I had written that in the draft that it was a review of the draft. I had written that if it was going up that way, it was going to include the fact that I agreed.

. Q But is it fair to say when you wrote that on Mr. Feldman's draft you at that time based on that memorandum concurred with his recommendation?

. A Yes.

. Q Present at that meeting were Mr. Gregor~~y~~ie, Mr. Sharf, Ms. Barnett; is that right?

. A And Mr. Feldman.

. Q And Mr. Feldman, I am sorry.

. A Yes.

. Q Who was it who opposed the grand jury?

. A I think it was unanimous.

. Q Who was it who opposed it initially?

. A I do not recollect.

. Q I am not--

. A That is a little hard.

. Q We have five people at a meeting. Going in the door of the meeting, two of the people, yourself and Mr. Feldman, have already at least tentatively concurred in a decision that a grand jury is appropriate.

. A It was Sharf and Gregor~~y~~ie who are my most experienced prosecutors, with a lot of experience, who felt the information was not sufficient. It was those two.

. Q So if there was an initiate to wait on the grand jury, it would have come from Mr. Sharf and Mr. Gregor~~y~~ie and spread to the rest of the group, to a consensus?

. A Yes. There is a newspaper report that Mr. Gregor~~y~~ie says he did it. I do not think that's accurate. I do not think that--as I said, it was a consensus, started by those two.

. Q Was there any thought given to the time it might take to get compliance with records subpoenas?

. A No.

. Q It's common, is it not, in investigations of this kind to get your records subpoenas out fairly early in the investigation to allow time for compliance and analysis?

. A You can't make a general statement like that. A lot of times that's not accurate. Especially in--when you are going for bank records. Very often that's the last thing to do because of the concerns of leaks. That's dealing with money laundering investigations. Why I am addressing that is I know what we did in a particular case where we indicted two weeks ago where we were concerned about it.

. Q Were there concerns with leaks to the account holders in this case?

. A I can't answer that specifically.

. Q Well, just what I am saying is, were there concerns with leaks in this particular case? I recognize there are some cases where there are concerns with leaks.

. A I can't answer that question. It's too--I just simply can't answer it. There were a lot of things discussed. I have no independent recollection of that.

. Q I do not want you to misunderstand me. My curiosity here--I am trying to figure out why subpoenas weren't issued for bank records, what reasons there were for not issuing them. In the memorandum that went out to Justice, one of the reasons given was to avoid casting aspersions on innocent people or something to that. Let's take that as one reason. Were there other reasons you are aware not to issue the bank subpoenas?

. A I do not recollect any. That doesn't mean there weren't any. I just don't recollect any discussion on that point.

. Q To the best of your knowledge, there is nothing reflected in the memoranda or the drafts of the memoranda?

. A I do not believe so.

. Q Let me back up a little bit. When Mr. Feldman came back from New Orleans, having talked to Terrell, is it fair to say he was excited about the case, psyched up about the case?

. A That's fair to say.

. Q Is it also fair to say that after his meeting with you one of the things you tried to do was get him to focus a little better on exactly what the case was about and settled him down a little bit?

. A Yes.

. Q And is it also fair to say when he came back from Costa Rica and his experience with Ambassador Tambs and the station chief, he was once again very excited and psyched up about the case?

. A Yes.

. Q And is it also fair to say that one of the results of that meeting was to settle him down again and get him focused on--

. A Focused on what the facts were and what we had.

. Q And he then went and wrote a memorandum recommending a grand jury, that grand jury subpoenas be issued; is that correct?

. A Yes.

. Q And at least at one point going into the meeting, you initially concurred with it, but then coming out of the meeting decided not to do that?

. A After a full discussion.

. Q Would it be fair to say that Mr. Feldman was disappointed with that decision?

. A That's hard for me to characterize. He agreed with it. I can't delve into what his feelings were.

. Q Did you get the feeling that he might be uncomfortable with the recommendation that was being put in the memorandum?

. A No.

. Q You were aware that Mr. Sharf changed portions of the memorandum?

. A Yes.

. Q But you don't recall whether you ever--whether you brought that to Mr. Feldman's attention or not?

. A No.

. Q Given the fact that the memorandum was going to main Justice over Mr. Feldman's or under Mr. Feldman's name, did you give any consideration to running it by him one more time before sending it out?

. A No. The reason was I wanted to get it up here as quickly as I possibly could.

. Q What caused that impetus?

. A Well, in part it goes back to the fact that in early Magy they made a statement there was no investigation. I was intent on getting them all the information we had. I wanted it out.

. Q The memorandum or at least the idea for the memorandum goes back to that first meeting when you returned from Costa Rica; is that right?

. A That's right.

. Q Am I right that that's sometime perhaps in early April of '86?

. A That's right.

. Q The memorandum then goes through several drafts?

. A Yes.

. Q Until--all the way through May of '86?

. A Yes.

. Q The allegations take place--the allegations, the statement by DOJ there was no investigation took place as best you recollect early May of '86?

. A That's right.

. Q Approximately a month after that, on June 3 of 1986, the memo goes out over your signature or by cover letter?

. A That's right.

. Q Was there anything that occurred between early May and when the DOJ allegations or DOJ statement was made and June 3 that added impetus or such impetus to getting this memorandum out that it wasn't possible or it didn't occur to you to run this by Mr. Feldman again?

. A No.

. Q Were you aware when you sent it out that Mr. Feldman had not seen it after Mr. Sharf's changes?

. A I do not recollect that. It was on my desk from

Mr. Sharf. I am not sure I was aware that Feldman had not seen it, the changes.

Q The memo from Gregor~~y~~ie to you, this is after the prosecution report, is dated October 6, 1986, I believe?

A Yes.

Q Do you recall how long you had that memo before you approved it?

A No.

Q Did you handle it in the regular course as you would any other memorandum?

A Yes.

Q Could the delay have been as long as a month between the time Mr. Gregor~~y~~ie sent the memorandum and your final approval?

A Yes.

Q Do you recall seeing it and setting it aside to consider or did it just not rise to the top of the pile for a month?

A It did not rise to the top of the pile. I do not recollect seeing it.

Q I believe you said that when Hasenfus went down at that point you actually made an effort to go out and find the memorandum that Mr. Gregor~~y~~ie had written?

A I thought it had to do with that. Quite frankly, it can't. It was the wrong timing. I know that I was reading articles and that made me go out and look for it in my pile.

. Q Do you recall holding the memorandum for a period of time after examining it?

. A No.

. Q Do you recall acting on the memorandum as soon as you saw it?

. A Yes.

. Q Do you know whether Mr. Gregor~~y~~ie--do you know whether Mr. Gregor~~y~~ie delivered it to you on the 6th and it sat on your desk for that period of time or whether he didn't get it to you until that time, until early November?

. A I don't. I don't know when it was delivered to my desk. He did not bring it in personally. It was probably in interoffice mail.

. Q Is it--would you find it surprising that you would not see a piece of interoffice mail for two or three weeks after it was routed to you?

. A No. Especially when we are dealing with other things at that point.

. Q When the Hasenfus plane went down, what was it about the facts that came out or the allegations that came out that caught your eye at that time?

. A Nothing in particular. Just the fact that the plane went down.

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. Q You were aware by that time, were you not, that there was some kind of private supply network to the contras?

. A I knew there were allegations. I knew there was allegations in May because of the Martha Honey lawsuit.

. Q You also knew that they were obtaining supplies and arms from somewhere, did you not?

. A You mean did I receive information in my official capacity?

. Q Or in your unofficial capacity.

. A Only what I read in the newspaper.

. Q I guess what I am trying to isolate is what it was about the Hasenfus incident that you found surprising?

. A Nothing was surprising. It just focused me on something I had to do, that I had in the office. There were other things that were going on and are continually going on. It just jogged me.

. Q Moving on to your trip to D.C., was your only purpose on the trip to D.C. to visit Mr. Burns on resources? Was there any other purpose to the trip?

. A No.

. Q There was no other purpose?

. A There was no other purpose.

. Q When did you schedule your meeting with Mr. Richard?

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. A Probably--I wouldn't have scheduled it. I would have had my secretary call and say I am going to be in Washington on a particular date, see if Mark Richard can see me.

. Q Would that meeting have been scheduled to discuss these letters?

. A I asked to see him. My secretary made the appointment. I had two reasons for going.

. Q Those being what?

. A One was the affidavits. The other was the memos I wanted on the Neutrality Act.

. Q The way you describe the memo, the request for the memos, you just asked him, you said there's neutrality aspects to this case, do you have anything on it. Was there anything more to it than that?

. A No.

. Q So that by itself really wouldn't have required a meeting with him. You don't go--meet with a fellow just to ask him if he has something on the Neutrality Act?

. A If I was in Washington, I'd take ten minutes and get it and bring it back to me, instead of doing it through the mail and waiting a long time, sure.

. Q Do you know if you scheduled the meeting with Mr. Richard prior to receiving the letters and affidavits?

. A I don't know. I doubt it very much because

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normally I would not set up a meeting that far in advance.

. Q Other than Mr. Richard and Mr. Burns, did you meet with anybody else?

. A In Washington?

. Q In Washington.

. A Yes.

. Q Who?

. A I met with Phil Brady.

. Q Who is Phil Brady?

. A Phil Brady works for the vice president.

. Q What was the subject of that meeting other than Mr. Brady--can I assume you didn't discuss pending investigations with Mr. Brady?

. A No.

. Q You didn't discuss them?

. A No. Let me say it. I did not discuss anything involving pending investigations with Mr. Phil Brady. I discussed one thing with him. That was resources. There were new numbers out, statistics that I wanted to give him.

. Q Mr. Brady, Mr. Richard, Mr. Burns. Did you meet with anyone else?

. A As I said, I probably met with Charlie Blau.

. Q Who is Mr. Blau?

. A He works for Steve Trott, involved with narcotics. I regularly see him about a variety of problems.

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. Q You did mention that. What was it about the allegations against Senator Kerry that led you to consult with Mr. Richard that hadn't sparked a similar sort of consultation when the NSC's name popped up in the investigation?

. A It was specifically accusing somebody of paying off a lie.

. Q Was it just the type of allegation that was concerned?

. A Yes.

. Q Did you consider that a more serious allegation than operating a private supply network to a private army?

. A I didn't make a distinction.

. Q I guess what I am saying is when the allegations came in and affidavits against Senator Kerry, your first thought was to hold it very closely until you had a chance to check with Mr. Richard. Yet you had a different reaction when the name of the National Security Council came up in the course of investigation. You really didn't turn to Washington at all on that aspect at the time of the investigation?

. A That's right. I never discussed that, except putting it in the memo. Whatever happened, happened.

. Q I guess my question is why did you go to Richard right away with the Kerry allegations as opposed to going to

Richard right away with the NSC allegation?

. A The other one had to do--we were still questioning whether or not there was a crime involved in what they were doing. This one was clear to me.

. Q What was clear to you, that there was a crime?

. A This was an allegation of a crime. The other one, there were a lot of other discussions, a lot of other factors involved such as the Boland amendment. That's what we were looking at. That's why it didn't strike out at me that I didn't immediately run to Washington with it.

. MR. McGOUGH: I think that's all I have.

. Is there anything I asked you, Mr. Kellner, you feel you didn't have a chance to respond to? I don't want you walking away feeling we haven't given you a chance.

. THE WITNESS: No, not really. You have given me the opportunity.

. MS. NAUGHTON: I have a couple of other questions.

. BY MS. NAUGHTON:

. Q Have you ever spoken to Brad Reynolds?

. A Yes.

. Q Do you recall when?

. A Yes. U.S. Attorneys' conference in Arizona.

. Q The recent one?

. A Yes.

. Q Any time before that?

A No.

Q Did you discuss this at all?

A No.

Q What about Hayden Gregory? Had you discussed this with him fairly recently?

A Yes.

Q Where was that?

A He was in my office.

Q If I could direct your attention to the memo of--well, they are all of May 14, but the final version.

A Yes.

Q Could you tell me where you mention the National Security Council?

A Page 12, footnote nine.

Q Are you referring to the remark about another U.S. agency?

A No. In April of 1985 Hull allegedly told Stephen Carr that the National Security Council provided him $10,000 a month to support contra operations in Costa Rica.

Q Do you know whether footnote nine was edited at all by Mr. Sharf?

A No, I don't.

MS. NAUGHTON: Those are all the questions I have.

BY MR. McGOUGH:

Q At the time, let's say in the spring of 1985, did the name Oliver North mean anything to you?

A No.

Q Had you been following at all press reports regarding alleged U.S. involvement in supplying the contras?

A I was reading the stories.

Q Do you recall--the next question would be do you recall seeing his name in the context of the stories, but I suppose the answer is no.

A The answer is no. The name did not mean anything to me at the time.

MR. McGOUGH: Okay.

BY MR. FLYNN:

Q With regard to the delay in the sentence of Mr. Garcia, was this done just once or--

A A number of times.

Q The information he was giving you, you considered pretty good?

A Ultimately, no.

Q Did he tell you about this case or related cases?

A Well, he was the one who provided the initial allegations about--strike that. He didn't provide anything to me. It was to Feldman.

Q To Feldman?

A There was a variety of things he was saying. One, he was entrapped. He was entrapped because he had this information about the assassination plots, and other things such as the bombing, the gun running, and one of the things they did. I was aware of it afterwards. I wasn't kept apprised of it. He was given a lie detector test, which proved, I believe, inconclusive. Irrespective, he said that from what I recollect, from what Jeff Feldman told me, he said that the person who knew everything was Jack Terrell.

. Q You spoke to the Attorney General when he came to Florida in April of last year?

. A Right.

. Q Said you had a two-minute discussion?

. A Right.

. Q This was the only contact you had with the Attorney General personally between April of last year and I am talking now up to the first week in December of '86; is that right, on this matter?

. A Oh, yes.

. Q None of his subordinates spoke to you about this particular case with regard to any kind of a delay or anything like that?

. A Who is his subordinates? Strike that. With respect to delay, no one. The problem I had is that I assume anybody in the department is his subordinate. Obviously, I spoke to Mark Richard, Lowell Jensen. They are his subordinates. I spoke to them.

Q None of these people told you to delay the case?

A No one ever told me to delay the case. No one ever gave me any direction on this case in any way, shape or form.

Q No one at main Justice said anything to anybody in your office about doing that either?

A Not to my knowledge.

Q Okay.

A No one reported to me that somebody called and said, listen, I got a call from Justice, I want to delay this case.

Q When you went to see Mr. Richard about the affidavits, and you made the comment to Mr. Feldman that you were going to go up to main Justice, from the time that you got back to the U.S. Eastern District, what is the time span?

A About four days.

Q Four days.

A Four or five days.

MR. FLYNN: That's it.

MS. NAUGHTON: Okay.

BY MS. WESTBY:

Q You mentioned regarding this phone call from David Leiwant with regard to that phone call he said that a congressional staffer had called him. What's the time frame?

A When did this occur?

Q Yes.

A I'd say four to five weeks ago.

MS. WESTBY: I think everybody else has covered everything.

MS. NAUGHTON: Okay. Thank you for staying.

For the record, so you can tell OLA, we are going to be requesting these documents you brought. I think Kim Allen already knows that.

THE WITNESS: I have already asked him to deliver it.

[Whereupon, at 5:45 p.m., the deposition concluded.]

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[2:00 p.m.]

HSI TS-76

DEPOSITION OF JOHN H. KELLY

Wednesday, June 10, 1987

U.S. House of Representatives,

Select Committee to Investigate Covert
Arms Transactions with Iran,

Washington, D.C.

The deposition convened at 2:00 p.m., in Room H-328, The Capitol.

Present: Ken Ballen, Staff Counsel, Timothy E. Traylor, Investigator, and Robert W. Genzman, Associate Minority Counsel, Select Committee to Investigate Covert Arms Transactions with Iran; and Terry Smiljanich, Associate Counsel, Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

3Box13

Partially Declassified/Released on DEC 21 1987
under provisions of E.O. 12356
by B. Sirko, National Security Council

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EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEN:

Q Would you state your full name for the record?

A My name is John H. Kelly.

Q What is your current position?

A I am the American Ambassador in Beirut, Lebanon.

Q How long have you held that post?

A Since August 1986.

Q Let me put something on the record.

Neal Eggleston of our staff spoke to your attorney, Henry Fry. I understand that he is not accompanying you today and that you have agreed on your own; correct?

A Yes.

Q However, pursuant to our discussions with Mr. Fry, at any point during this deposition, if you wish to contact him, you may. If you wish to call him on the phone, we will recess the deposition.

If you wish not to answer a particular question without consulting with him, just so state or if you wish to stop the deposition at any point in order to reconvene it with him present, you should do so.

Is that clear?

A Thank you, yes.

May I ask a procedural question -- can we go off the record at some point?

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under provisions of E.O. 12356
by D. Sirko, National Security Council

Q Yes, if at any point you want to go off the record, indicate and we will go off the record.

You have been U.S. Ambassador to Lebanon since August of 1986?

A That is right.

Q What position did you hold prior to that time?

A The last position I had immediately prior was as a consultant to the Under Secretary for Management at the Department of State.

In the preceding five years, I held other positions in Washington.

Q Are you a Foreign Service Officer?

A I am a career Foreign Service Officer. I entered in 1964, served two posts in Turkey, two posts in Thailand. I then did five years in Washington, then was assigned to France, returned to the U.S. in 1980, and was posted in Washington until 1986, when I went to Beirut.

Q How did you happen to be chosen or volunteer for this assignment -- drafted, I don't know what word is appropriate?

A In 1985, several senior officials of the Department asked me if I would think about whether I would accept the position if it was offered to me, whether I wanted my name to be put on the so-called short list. I thought about it and decided that I would be happy to have my name put on the list.

I am divorced, my son is grown, so I have an advantage that many of my colleagues don't have of being relatively free of family responsibilities. It is a challenging assignment.

I thought that it was something worthwhile doing.

Q What I would like to do at this point is based on your chronology, and you can use that as a guide if you want to, to hear from you briefly, going through it, what your involvement was in terms of the issue at hand, which is the release of Jacobsen and possibly other hostages that occurred in the fall of 1986, starting with your first meeting with the Secretary in July and take us through that, and once you have done that, we will just go back over and ask you some questions.

A Fine.

As it is outlined here --

Q Maybe I can help you a little bit. On July 31st, you met with the Secretary?

A Yes.

Q Had you been appointed ambassador at that time?

A I had not yet been confirmed. My appointment was pending Senate confirmation. The Secretary was about to leave for several weeks of vacation and travel outside of Washington.

Normally, I would not have requested what you might refer to as a farewell discussion with him prior to my confirmation, but knowing that he was going to be absent and that the Senate was going to recess in mid-August, I asked to see him on the assumption that things would break out and I might be off before he returned to Washington.

Q Did you meet with him at that time?

A Yes, I met with him for 30 minutes on 31 July.

Q What was the discussion about?

A The discussion was about our objectives in Lebanon, my responsibilities, security concerns there for the safety of Americans assigned to the embassy.

I asked his advice on dealing with some of the Lebanese political leaders whom he had gotten to know during 1982 and 1983 when he was intensively involved in trying to negotiate a treaty between Lebanon and Israel.

Q Let me ask you this -- was there any discussion of arms transfers to Iran?

A None whatsoever.

Q Was there any discussion concerning the hostages?

A I am sure there was. My memory is imprecise. I think it was in general terms that the hostages are a matter of concern to the government and to the people of the country, and that as had my predecessor done, I should exert every effort to produce information as to their well being or their location and obviously work in any way that I could towards their release.

Q What -- this is kind of in the way of background, out of chronological sequence, but what kind of staff do you have at the embassy in Beirut?

A The number is not for publication [redacted]

Q When were you confirmed by the Senate?

A August 16.

Q On August 8, you met with Robert McFarlane?

A Yes, I did.

Q How did that meeting come about?

A In the months before I left for Beirut, I made it a point to try to meet a number of individuals in and out of government who had prior experience in Lebanon.

McFarlane, whom I had known previously professionally, had been the President's special negotiator in Lebanon for a period of time in 1983 and 1984, and I was interested in talking to him to get his views on Lebanon.

Q How had you known him previously?

A I first met McFarlane in the early seventies during the Nixon Administration when I was working at the State Department and he was working at the National Security Council as assistant to Kissinger. I had gone overseas in 1976 and in 1981 when the Reagan Administration came in, he was appointed Counselor of the State Department initially under Secretary Haig and I saw him frequently in 1981 when he was at the State Department before he went to the NSC.

Q So you met with him because you knew of his experience in Lebanon?

A That is right.

Q Dealing with Lebanon.

What happened in the course of that meeting?

A We had a general discussion --

Q No one had suggested you meet with McFarlane, this was something you undertook at your own initiative?

A No one suggested I meet with him. He had experience in Lebanon and I wanted his impressions. We talked about the political mess in Lebanon and political leaders.

At some point in the discussion, he told me that even though he had left the government, he was still actively involved in an effort to obtain the release of the American hostages.

He told me that the operation or procedure involved the provision of American weapons to the Government of Iran.

He said that -- again, I am recalling out of a fuzzy memory, I made no notes on the meeting -- I recall him telling me that Secretary Shultz and other Cabinet members had opposed such an arrangement, but that the President had directed it and that even though he, McFarlane, had left the government in the official sense, his position as National Security Adviser, he was still actively involved in that effort and had visited Tehran in the spring of the year.

Q Did he tell you that the purpose of the arms, American arms to Iran, was in order to obtain the release of the hostages?

A That is my recollection. I do not recall his precise words, but that is my recollection.

Q Did he tell you anything about who was informed of this operation, who could be informed?

A Only indirectly in that he said that Secretary Shultz and other Cabinet members were aware of it and were opposed to it.

Q Did he tell you anything about your potential involvement in it?

A Yes. He said that knowledge of this operation was restricted to a very small number of individuals, but that if and when the effort bore fruit, I would probably receive instructions from Poindexter, who had succeeded him as National Security Adviser, through what is called a back channel or a privacy channel, and that, therefore, I needed to be aware that such an eventuality might come about.

Q Did he tell you anything about who you were to communicate with through that back channel?

A No. In the sense that he told me that I would be the recipient of a communication, he didn't -- he didn't say that I was to communicate with anybody. He said that Poindexter would probably communicate with me.

Q After your meeting with McFarlane, did you meet with anyone else from the White House staff?

A McFarlane, if my memory is correct, told me that Oliver North was, if you will, the action officer at the National Security Council staff for this matter, and I had known, as was common knowledge, that Oliver North was the person at the National Security Council who looked after hostage matters.

I had sought a meeting with North --

Q Had you known North prior to this time?

A I had met North perhaps twice before that, probably in 1982 or 1983, at meetings at the State Department, but I can't say I knew him.

Q Okay.

A At any rate, I had sought a meeting with North. I suspect even before I met McFarlane in that I had heard or knew that North was the man at the National Security Council who was involved in counterterrorism and hostages and since Lebanon is rife with terrorism and the hostages would be there, he would be a logical person for me to meet with.

So I sought an appointment with him, I think, on a couple of occasions, but never got an appointment with him.

Shortly after, a few days after I saw McFarlane, it would have been on August 11, I was informed North was out of town.

I had separately requested a meeting with a gentleman named Dennis Ross, who is a Middle East specialist at the National Security Council and I met with Ross and we talked about Lebanon and policy in general terms.

At the meeting with Ross, Lieutenant Colonel [redacted] Earl, whom I had not previously met or heard of, sat in on my meeting with Ross.

Ross introduced me and said, "This is Ollie North's Deputy, Bob Earl, who wants to sit in the meeting."

Ross and I talked about general Lebanese political and security issues, did not touch on hostages in that meeting.

When I left Ross' office, Earl walked into the hallway with me and we had a brief discussion in the hall.

He said to me something to the effect that "I understand Bud McFarlane has briefed you. Ollie is sorry he can't meet with you, but he is out of town, but we will need your help if and when any hostages are coming out and Poindexter will look forward to your cooperation."

I don't think that conversation lasted more than two or three minutes and it was in the hallway and I said good bye to him.

Q August 16th, you were confirmed by the Senate?

A Yes.

Q And when did you leave for Lebanon?

A I was sworn in as ambassador on August 18 and on August 19, I left for Beirut.

Q Did you have any other contacts with any other high-level officials in the government before you left?

A Before I left -- you mean particularly regarding the Iran hostage thing?

Q Right, particularly regarding the hostages.

A I had no discussion about the Iran hostage thing with anyone. McFarlane had told me it is a close-hold operation, meaning the knowledge of its existence was limited to a very small group of people, so I did not raise it with anyone.

I did see other officials to discuss Lebanon, but none of those discussions touched on the Iran hostage business.

Q After arriving in Lebanon, when was the next you had heard from anyone with regard to this?

A On October 30th.

Q What did you hear on October 30th and from whom?

A The first thing I heard was, I was having lunch with a couple of Lebanese army officers and during the lunch, I got a call from my office saying, if my memory is correct, that the White House had called and provided a phone number in Germany and I was to call that number.

So I left -- I had left the luncheon table with the two Lebanese officers, but I called that phone number in Germany. I was to ask for an individual by the name of Mr. Good.

I did not know who that individual was. I called the number in Germany and Mr. Good was Oliver North.

Q What did he say?

A He spoke cryptically because it was an unsecure line, but he said "You may be having visitors in the future. You will be ~~having~~ hearing instructions. Get ready," or something like that.

Q You didn't ask him any questions?

A No, because I assumed, as I assumed on any telephone call in Beirut, that it is being monitored by forces unfriendly to us.

So I didn't ask him for additional information. I assumed that I would be getting additional information either by secure telegram or secure telephone.

MR. BALLEN: Let me mark this as Exhibit 1. It should be in your package.

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[The document marked Exhibit No. 1 follows:]

* * * * * COMMITTEE INSERT * * * * *

[redacted]

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~~TOP SECRET~~

BY MR. BALLEN:

Q When, in relationship to the phone call with North, did you receive that particular cable?

A Well, let's see -- on the cable, there was a mark in the upper right-hand corner "TOR," which I believe means time of receipt, which should be an indication what time the telegram was received in Beirut.

It says [redacted] for Zulu, meaning [redacted] Greenwich mean time. So, given that Beirut was then GMT plus two -- that doesn't sound right at all. The transmission was --

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82-714 1166

#1a
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jm 1

Q Let me ask a different question. Do you recall receiving that?

A Sure, I recall. It was within an hour or two after I had the phone call.

Q That is good enough.

A Okay.

Q Who was the cable from, and what did it---

A The cable was from Admiral Poindexter addressed to my eyes only, and you see the text of it before you, indicating that probably two American hostages will be released, Oliver North and Richard Secord [redacted] coming to Beirut, what would happen, and---

Q What essentially was-- I understand you received calls from Robert Earl and/or Craig Coy of the NSC staff that day too?

A That is right.

Q Were they informing you generally the same?

A Yes, they were telling me the same thing that came in the telegram, that North and Secord [redacted] coming into [redacted] that evening and that I was to arrange helicopter transport for them to Beirut, that a hostage release was anticipated, that I should organize the logistical details necessary.

Q That was essentially your role to handle the logistics of receiving the hostages [redacted] and making sure they got out of Lebanon safely?

A That is correct.

Q In the cable Poindexter, Admiral Poindexter communicates to you any developments on this matter of the hostages should be sent only to me by this channel. It says, flash precedents underneath.

What did you understand that to mean?

A Exactly what it says. That I was not to communicate with any other entity of the U.S. Government on this matter.

Q Including the State Department?

A Including the State Department.

Q Was that normal instructions?

A It was an unusual instruction, but not an unheard of instruction.

Q In your experience, how could you respond to that and, in fact, not communicate with the Department of State and only with---

A Well, I knew that in exceptional circumstances communications of this type had been used in the past.

Q What kind of circumstances?

A In my earlier experience, both in Washington and at some overseas posts, I had seen at various times, or become privy to messages that were sent directly from the White House through the National Security Adviser to an ambassador or vice versa.

Q Where they instructed the ambassador not to communicate with anyone but the National Security Adviser?

A That is right. But I assumed that the National Security Adviser was keeping the Secretary of State informed. As it turns out, that assumption was apparently correct.

Q What led you to assume that?

A Prior experience---

Q Prior experience with this National Security Adviser or in general?

A Not with this National Security Adviser, in general, and perhaps a certain degree of naivety now, I mean it appears to be naivety in retrospect, but I assumed that since the release of hostages was going to be an event that would attract great international attention, as it usually does, that the National Security Adviser, that any National Security Adviser would have told the Secretary of State that a release was a possibility and that the National Security Adviser was asking the ambassador in the particular country to handle the logistics, and to protect the secrecy of the operation, and that communications were going to and from him and to the White House.

Q You said you were aware of other times in the past where a National Security Adviser had instructed an ambassador to communicate only to him. What were the instances?

im 4

A Some from the Kissinger years.

Q What kind of things were involved?

A [redacted]

Q [redacted] How did it strike you when you received it?

A I wasn't surprised in that McFarlane had told me that such a possibility might occur, and secondly, if secrecy was required in that premature publicity might jeopardize the release of the hostages, the fewer the addressees, the fewer the copies of the message, the less likely that there might be an inadvertent publication.

Q Yet you assumed that the very top level that the National Security Adviser had informed the Secretary of State.

A I did.

Q What was he asking you to do is not to go through normal State Department channels but he wasn't telling you that he wasn't informing someone on his level, in other words, the Secretary of State?

A No. Clearly from the message traffic he didn't inform me by message that I am keeping the Secretary of State informed. I assumed that. However, as you may have noted in my chronology in subsequent telephone conversations I believe I was told by either Earl or Coy that the State Department was being taken care of.

This I interpreted to mean that the proper senior officials at the State Department were aware of what was going on.

Q After receiving the message from Poindexter, what step did you take at that point? Did you communicate back to him?

A Yes. I sent him an answer which I think is in this packet of materials. Yes. My answer is here.

Q Let me show you exhibit -- let's mark this Exhibit 2.

(The following document was marked as Exhibit AK-2 for identification:)

COMMITTEE INSERT [redacted]

[redacted]

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEN:

Q I think this is your cable back, if I am not mistaken?

A That is correct.

That is my answering cable to Admiral Poindexter.

Q Why don't we go through that?

A Would you like to to read it into the record?

Q I will read it into the record line-by-line. "All assets here will be put at disposal, Ollie and Dick."

[redacted]

Q How did you happen to refer to the people involved as Ollie and Dick? That indicates some familiarity?

A Well, in the case of Colonel North, most people referred to him as Ollie. In the case of General Secord, although I had not seen him in several years, I had previously known him.

Q How had you known him?

A I was assigned to the Pentagon in 1973, 1974, at that time General Secord also worked at the Pentagon in an office adjacent to mine, and I made his acquaintance then.

Q Did you keep up with him in the intervening years?

A I probably saw him three or four times in 10 years.

Q This was a professional relationship?

A Yes.

[redacted]

Pages 22 - 25

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Q What was the result of this---

A [redacted] North and Secord only stayed for an hour or so, and left again, and didn't leave my embassy, [redacted]

Q Did they come in a helicopter right over the embassy?

A They came in helicopter, and landed within the embassy area.

Q Were you advised in advance [redacted] by any communication

A Oh, yes, sure.

Q When and how did that come about?

A [redacted] I had numerous secure telephone conversations with Earl or Coy concerning when they would arrive, the logistics and so on.

Q And you state in your chronology, and I wonder if this is correct, that you were surprised that North and party had arrived [redacted] and would arrive in Beirut around 11:00 p.m. [redacted]

A That is correct.

Q And North made a secure call to the White House?

A That is correct.

Q How do you know that; he just told you that?

A Well, we were in my office and he said, where can I call the White House on secure; and I said, you can go [redacted] and they will arrange it for you.

Q Who accompanied North and Secord [redacted]

A Into Beirut; no one else. The helicopter crew flew the bird, but did not get off the helicopter.

Q You met with him, had a discussion for about an hour?

A Yes.

Q What was discussed during that hour?

A Maybe it will be a release of hostages in Damascus, maybe it will be in Beirut, maybe it will be one hostage, maybe it will be two hostages, maybe it will be all the hostages. How are you going to handle them, what will you do if they need medical care -- it was all logistics, basically.

Now, the two of them would pop in and out from their various phone calls and one would say, well, [redacted] said such and such, that is [redacted] and I assumed that the [redacted] they were referring to was the person with whom they were negotiating. I assumed somewhere in

Europe and because I had telephoned North earlier that day in Germany. But they at no time said to me, okay, Kelly, here is where the negotiations stand, they are asking for X and we are offering Y.

Q Did they ever tell you anything about the arms going to Iran?

A No, at no point during that weekend did they say we are shipping anything or anything like that.

Q They also -- did North give you any instructions concerning who you should report to in the Department of State?

A Well my recollection---

Q If anyone?

A My recollection was that North told me to continue to communicate only with Poindexter via the so-called privacy channel, or by secure voice with Earl [illegible]. My recollection [illegible] North [illegible] after the hostages are released, [illegible] continue [illegible] this top secret privacy channel?

My recollection is that North said, no, once they are out it is okay to use normal state channels.

Q [illegible] also stated in your chronology that this was -- that North implied to you that this was on the order of the President? What is your recollection of that?

A I can't be much more precise than that, other than jm 13

to mention a telegram which is in this package that North sent from my embassy, that I think, while he was there.

Let me see if I can find it.

It is this one; and he showed it to me, and indeed asked as a courtesy if it was all right to transmit this telegram from my embassy. So you see that the telegram from Oliver North says in paragraph 4, "This operation has highest level approval." I interpreted that to mean the President of the United States.

Q But you don't recall North telling you specifically that it was--

A I do not.

MR. BALLEN: We will mark this as Exhibit 3.

(The following document was marked as Exhibit AK-3 for identification.:)

COMMITTEE INSERT

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jm 1

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEN:

[redacted]

Q Now, on the following day, it would be October 31, according to your chronology you had various secure telephone conversations with Earl and Coy and they asserted they were speaking on behalf of Poindexter and more cables from Poindexter and these related to what in general?

A Logistical arrangements; where the release might take place if it took place, that is whether in Beirut or in Damascus; how---

Q Did you finally learn that the release would be in Beirut?

A Yes, finally the evening of October -- no, sorry, I am getting my dates confused -- Thursday was the 30th, Friday the 31st, the evening of Saturday November 1, around six in the evening, I was notified by Earl and Coy that the release, contrary to earlier indications, would take place in Beirut.

Q What happened after that?

A I told [redacted] people that we were going to stay at the embassy until we got a hostage out and we stayed and waited all night. The next morning our office in West Beirut [redacted] called the -- called our embassy in East Beirut about 7:45 in the morning to record that Jacobsen had just walked in the front door, and we hold him, hold him, and we will send a motorcade over to get him, which we did, and I at that point sent a flash message to Poindexter informing him that Jacobsen was at the office in West Beirut, that I was sending a motorcade, and we picked him and brought Jacobsen to my house, my residence, and then sent a message to the State Department informing them that Jacobsen was released.

Q Why, at that point, did you send a message to the State Department when you had been instructed not to communicate with the department?

A Because of my understanding from North during his visit the night of the 30th, that once a hostage or hostages were released it would be okay to use State Department channels rather than to restricted privacy channels.

Q What, if any, reaction did Poindexter have to this?

A Within 15 or 20 minutes after I sent the State cable, I got a call on the secure telephone from either Earl or Coy, I can't remember which one, saying that Poindexter had -- why had I violated his instructions to use only White House channels?

I said, because North said once you have the hostage it is no longer a great secret. And I was admonished or told, you know, please don't do this again; Poindexter is very upset; we may get another hostage; publicity could jeopardize that.

I said, okay. I note in the package of materials there are a couple of pro~~o~~f notes about that matter.

Q What occurred at this time when you ~~had~~ Jacobsen back at your residence?

A I spent the next 10-12-14 hours with Jacobsen

[redacted]

jm

[redacted]

Q What instructions had you received from the White House regarding Jacobsen?

A To keep Jacobsen in Beirut, not to move him out pending the potential release of the second hostage,and to keep---

Q The idea being they didn't want the publicity?

A They didn't want the publicity, quote--"premature publicity will jeopardize the release of the second."

Q Okay.

And what happened after that? What was your next---

A That evening, 6:00 or 7:00 p.m., [redacted] [redacted] Bob Dutton, whom I had not met, or heard of before.

[redacted]

[redacted]

Q Who was Bob Dutton?

A Dutton told me that he worked for Secord and that he was part of the operation with Secord and North and others. And that since Secord couldn't come and that North wasn't in Cyprus yet, he had come.

Q Do you know where North was during this time, when he wasn't available?

A I think he was somewhere in Europe, but I don't know.

[redacted]

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[redacted]

Q Was there any discussion at all [redacted] among anyone where you learned that there was a snafu in releasing the second hostage because of, the shipment of additional arms wasn't shipped?

A I knew there was a snafu but I didn't know what it was.. At various times somebody would say that so and so is double-dealing us, you know, I would overhear one of these characters say that.

Q You say one of these characters, you refer to Dutton?

A Dutton and Secord, when they were there on Thursday night, or Dutton -- or occasionally on a secure phone call Coy or Earl might say something, "There is a problem. The other side is messing around." Or something like that, but nobody ever mentioned to me the details of the transactions.

Q No one ever said to you that the snafu in releasing the second hostage was caused because the Iranians wanted more arms?

A No. No. At no point did anybody talk about arms during that four-or five-day period.

Q At a certain time the local radio station broke the story about Jacobsen's release?

A A Druze radio station, that is right.

Q What happened as a result of that?

A The operations center at the State Department called me to ask what was going on since the wire services picked up that Jacobsen had been released and was at my house.

I told them that because it was an open telephone line that they called on, that I couldn't discuss it, and I called Earl on the secure phone and said, look, State wants to know what is going on. Would you inform them?

And he said, don't worry about it. We will take care of it; or words to that effect.

Q And did North arrive at that time?

A North actually didn't get in until the morning of 3 November. He had planned [illegible] in the evening of 2 November, but the weather got so bad [illegible] couldn't operate and so he stayed over and came in at about 6:00 a.m., on Monday, 3 November.

Q Did you ever learn from anyone what the actual negotiations involved?

A No. The first thing I learned about it was basically what I read in the Tower Commission report.

Q After these incidents, the next morning I take it, is when they all departed, and they went off, and then on

jm

November 3, just to complete the record, the story broke and in the Lebanese magazine,and on November 4, you received a final message from Poindexter which still instructed you to communicate to him on the back channel; is that a correct scenario of the rest of the events?

A That is correct.

Q Now, did you ever have any subsequent conversations with the Secretary of State or anyone else in the State Department about your role in reporting directly to Poindexter?

A Subsequent to these events?

Q Yes.

A Yes, I did.

Q Could you tell us when and were and what was said?

A It was in December. I may get the dates wrong, but---

Q That is all right.

A By a day or two, but in early December, around December 6 or 7, I was called in Beirut and told to return to Washington to explain my activities and conduct,which I did,and---

Q Who did you meet with in Washington?

A I met with Secretary of State the following -- I arrived here on a Monday evening, and I again don't have the exact date, but December 7 or 8, I met with the Secretary of State the following Saturday, and I believe, the following Tuesday.

Q Okay.

What did he tell you?

A I am sorry?

Q What did he say to you?

A The Secretary of State expressed his unhappiness and his disappointment with me that I had not kept him informed of what was going on in Beirut, and that I had not informed him after McFarlane had told me in August that there was an ongoing effort to obtain the release of the hostages.

Q And how did you reply to that?

A I told the Secretary that I regreted that I had not informed him, but that since McFarlane had told me in August that he, the Secretary was informed, although he was opposed to it, I didn't, it didn't occur to me to try to contact the Secretary who was then on vacation to tell him about something that Bud McFarlane had already told me that he knew about, and then at the time of the events, October 30 to November 3, the release of Jacobsen, I was operating on the, what maybe now appears to be naive assumption, that Admiral Poindexter was keeping Secretary Shultz informed.

Q How did the Secretary respond to what you said?

A The Secretary thought I erred in judgment, and he discusssed [illegible] with the [illegible] and I was publicly admonished by the President and the Secretary, and sent back to Beirut.

Q And your discussions with the Secretary on Tuesday were of the same effect?

A Yes. Well, on the Saturday when I met him, the Secretary had just returned from four or five days in Europe. He had not had an opportunity to, being out of the country, to read either my memorandum, my chronology, or any of the relevant telegrams, and he said before he made any decisions, he wanted to read those documents, which he did, and I saw him the following Tuesday, after he had seen the President, and discussed my situation with the President, or so he told me.

Q Now, after you returned to Beirut, did you ever receive any new guidelines from the Secretary in terms of communications?

A The new guidelines went out while I was still in Washington. In fact, within about 24 hours of my second meeting with the Secretary. And I read them in Washington.

Q What, generally, did they provide?

A Well, they generally provided that ambassadors are not to communicate directly with the White House unless they are so instructed to do so personally by the President himself, or by the Secretary of State, or other, I believe, also by the Executive Secretary of the Department.

Q So the National Security Adviser is no longer high enough to pull out of the chain anymore? It has to be the President himself?

A That is your interpretation, if I may. My understanding is that I am not to communicate with the White House directly by passing the State Department unless I am so instructed personally by the President or advised by the Secretary or the Executive Secretary of the Department that such communication is authorized.

Q So if the National Security Adviser Carlucci called you up and said, communicate through me, though back channels, that would no longer be good enough for you?

A My next more would be to communicate with the Secretary of State to say that I have received an instruction from the National Security Adviser, would you please, advise me as to what I am to do?

Q As I said, the National Security Adviser is no longer high enough to take you out of the chain?

I don't have anything further.

A Would it offend anyone if I smoked a cig~~rate~~arette?

MR. SMILJANICH: Won't bother me.

MR. BALLEN: Not at all.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. SMILJANICH:

Q Let me stay on that subject for a second.

jm

Do you have the ability in Beirut to contact the Secretary of State directly bypassing any and everybody?

A You mean by voice, or by telegram?

Q Let's start with by voice?

A Yes. [redacted]

Q That wouldn't be something you would do lately, I would assume.

What about by cable? Is there a way you can communicate with the Secretary by cable?

A By cable I can slug the cable "eyes only," only for the Secretary. [redacted]

Q The voice communication [redacted]

Q YOu said you assumed during this series of communications,starting October 30, that Admiral Poindexter was keeping the Secretary of State Shultz informed. Did there ever come a point when you specifically asked Admiral Poindexter for an assurance of that type?

A I never spoke personally with Admiral Poindexter. Every secure telephone conversation was either with Earl or Coy in Washington purporting to speak in behalf of Admiral Poindexter or with North on the ground or so on. So I never spoke personally to Admiral Poindexter.

I gather in retrospect that he was not present in Washington that weekend, but he was in secure communications from -- in that he was with the President.

So I never requested specifically to speak with Admiral Poindexter, no.

Q What about through Craig Coy or Bob Earl, did you at any time ask them for any assurances about the Secretary?

A Well, basically on two occasions when I received inquiries from the State Department on open lines, I immediately called them and said I have been queried by the Department of State on open lines; would you please inform them; or haven't you already informed them; and the usual answer was, "We are taking care of this end, you take care of your end."

In one case I did communicate by telegram to the State Department.

Q Okay. When you saw Dick Secord and Bob Dutton as participants in this process, was anything said to you or was anything said in your presence as to why and how two private citizens were involved in this particular matter?

A No. I was surprised to learn that Secord was involved. I had no prior knowledge, you know, and although I knew him, I was just surprised. I never heard his name mentioned with anything connected with the Middle East in recent years.

Q What was your understanding as to what Secord's specific role was?

A I guess I thought he was on contract to the NSC.

Q What was he doing there? Could you tell what it was he was bringing to this endeavor?

A From the sort of small slice of the cheese that I could see in Beirut, during the one hour when North and Secord were there, the evening of the 30th, it seemed from what I heard them saying to one another that Secord was involved in the negotiations.

Q The actual negotiations with the Iranians?

A Well, he went off and talked to Germany and then he came back and said something like, you know [redacted] is raising the ante or lowering the ante. I don't remember the exact words.

jm

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEN:

Q Do you know whether they were Iranians that they were involved in?

A I don't know.

Q The question said was it actual involvement with the Iranians?

A I don't know that they were the Iranians.

Q For all you know, they could have been Middle East?

A . Yes, or anyone, Middle East, or anyone. Based on my conversation with McFarlane in August, I assumed they were Iranians.

Q Okay.

end jm

mhl fls
2a

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Q You assumed Secord was involved in these negotiations with whoever they were?

A Yes, I did.

Q What about Bob Dutton? Did you perceive any particular role for him?

A No, no. I was a little surprised when he came in [redacted] I didn't know who he was or what he was doing.

He said, "I work for Dick Secord and, you know, he is somewhere else [redacted] and North was going to come in as soon as he could."

Q Let me go back to the beginning of the story.

When you arrived in Beirut as ambassador, was there a hiatus between your assumption of the post and Ambassador Bartholomew leaving?

A Yes, there was a long gap.

Q How long?

A Ambassador Bartholomew departed around the middle of May and I arrived August 22nd.

Q Who was chargé-ing during that time?

A Terry McNamara.

Q Did he then stay on as DCM?

A Yes. He is still there.

Q Was Terry McNamara at all knowledgeable of or informed about these ongoing -- let me make that clear.

I am not talking about the events of October 30 through November 2, but earlier than that, was he aware of the substance of your conversation with Mr. McFarlane?

A No, he was not. I did not tell him.

Q And nothing he ever said to you indicated that he was in any way knowleageable of any history of this activity?

A Nothing he ever intimated to me.

Q Did anyone in your embassy, other than you, know about the sum or substance of your discussions with Mr. McFarlane?

A No, I never shared it with anyone.

Q Did you share it with anyone in the State Department in Washington?

A No.

Q Before you left for Beirut, I understand that you learned about [redacted]

Q Before you left for Beirut, did you ever have a meeting with the President? Was there any kind of formal meeting with the President to see you off?

A No, because I was confirmed just as the Senate adjourned or recessed, and because they were very -- the Department was very anxious that I get out there in a hurry, and the President was on vacation on the West Coast. The normal predeparture call with the President was foregone. So I did not speak to the President.

The President telephoned me in June to ask me to officially accept the position of Ambassador to Beirut. That is the only conversation I had in 1986 with the President.

Q Okay. So at no time did you ever have any discussion with the President about the hostages, arms transactions, anything like that?

A No. I saw the President in March of this year for approximately 60 seconds to have my photograph taken with him and he said, you know, "I know it is a tough job out there," or something like that. But, no.

Q Okay.

When you had your discussion with Robert McFarlane on August 8, first of all, where did you meet with him?

A In his office at K Street in the Georgetown Center for Strategic and International Studies.

Q Did he say he had been somehow authorized to bring you into this matter that he had discussed with someone, the fact that he was going to be telling you about this?

A No, I don't recall him saying that.

Q And in his description of what was ongoing at the time, did he make any reference to the development of a strategic relationship with Iran?

A Not that I recall.

Q So the matter that he described for you simply concerned the provision of arms to Iran in return for getting some hostages released from Lebanon?

A That is correct.

Q Did he say to you who they were dealing with in Iran? Did he give any description of the channel?

A No.

Q Did he say that he described them as moderates, radicals, people in government, anything?

A No.

Q If he did describe them -- ~~I~~ he did say they were dealing with Iran?

A Yes.

Q Did he say what types of U.S. weapons?

A No, not that I recall.

Q He never mentioned TWO missiles or HAWK spare parts?

A No, not at all.

Q Did he say anything about his trip to Tehran?

A Other than that it happened, no.

Q Did he say that there had been prior hostages released as a result of this activity?

A I can't recall whether he explicitly said that. I may have inferred that that is what brought about the release of Jen~~k~~co and Weir. I just don't recall.

Q He didn't specifically address that?

A No. I don't know. No.

Q In your brief discussion with Robert Earl on the 11th, after you met with Dennis Ross, he didn't add anything in the way of new information?

A No. Basically, just to say, "I understand McFarlane briefed you. We are counting on you~~r~~ to be helpful. Admiral Poindexter will need your cooperation if this produces results."

Q And he didn't describe for you anyone else who was knowledgeable of the activity -- Bob Earl?

A Well, in that he said Ollie North would have liked to have met with you. It was clear that North was knowledgeable.

Q Okay. Anyone else?

A But he didn't say if you can't get me, Craig Coy -- I never heard of Craig Coy until I talked to him on the phone October 30th.

Q When Craig Coy first popped up as someone involved in this, it was during the --

A October 30, 31, when he appeared on the other end of the phone and said he and Earl were the two assistants to North and they were clearly taking shifts in dealing with this.

Q Did you ever gather from any of the discussions what the specific problem was that came up in connection with the release of another hostage?

A No, no.

[redacted]

Q I assume since you didn't mention it -- it is something that you would very probably have remembered -- at no time did Colonel North or anyone else make any reference to the fact that one of the side benefits of all this was help for the contras in Central America? That was never mentioned to you in any way?

A No, nobody ever mentioned anything about contras or anything.

MR. SMILJANICH: That is all I have.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEN:

Q I have just a couple more quick things.

Was [redacted] involved in this in any way?

A No.

[redacted]

2.

MR. BALLEN: Let me go off the record for a second.

(Discussion off the record.)

BY MR. SMILJANICH:

Q On the record.

There is another area. You have also been asked if you had any information and I think you passed back rumors you had heard about any attempts to ransom hostages?

A Yes.

Q And you stated that you had heard rumors that there was an attempt. [redacted]

And another occasions in which you heard that somehow Ross Perot was involved in an attempt.

I would like you to be as specific as you can about that. If you can tell us what rumors you heard, where you heard them, anything you can add to that?

A I really can't. At the time I got the inquiry, I scratched my brain, where did I hear this. I kind of -- and

I really can't help you. Beirut is awash in rumors of the most fantastic, incredible -- although some turn out to be true -- reports and, you know, which Lebanese or which other person told me when, I just cannot recall. But some of this stuff is sort of common supposition around Beirut.

Q Did you ever hear of any involvement by DEA agents in an attempt to ransom hostages?

A Not until the Tower Commission business, until they revealed some memos or PROF notes that talked about DEA trying to organize a militia in Lebanon.

[redacted]

Q Did you ever hear that anybody in particular at the CIA was a part of this process, or contributing to it in some way?

A Well, as was indicated on some of these telegrams, Dewey Clarridge, who was an addressee on some of these telegrams -- over that weekend at some point, somebody told me that the telegrams sort of eyes only for Poindexter, and then as time went by, somebody said, well, add Clarridge, Coy and Earl or someone. So it became clear to me over that weekend that Clarridge was somehow involved in this.

Q Did you know Dewey Clarridge?

Yes, I had met him professionally earlier.

Q Did you ever have any direct dealings with him in this whole process about this matter?

A No, I didn't. Oddly enough, he is another person I tried to see and talk to before I left for Lebanon, because he is head of their [redacted] but we missed. He was out of town or I was busy, or something like that.

Q Ambassador Oakley, is that someone you would have numerous contacts with based on his role in counterterrorism?

A Well, he left that position within a couple of weeks after I arrived in Beirut.

Q And Bremer took over?

A That is right, Bremer. So I had no contacts with Oakley from Lebanon as I recall.

Q Is that someone you met before you left?

A Yes, in June or July we met.

BY MR. BALLEN:

Q Did he make any reference at all to this Iran initiative?

A Not to -- not to Iran. I mean, he said, you know, "half the government is mucking around trying to get the hostages out." Sort of general allusions, but he never mentioned anything about Iran or negotiations with Iran, and I saw him prior to having seen McFarlane, so --

Q He didn't make any references, veiled or otherwise, to him being dissatisfied with certain negotiations that might be going on in connection with the hostages?

A No, he told me -- I got the impression from him he was dissatisfied with Oliver North's role in counterterrorism and hostages, but that was sort of a general group.

Q Can you be any more specific than that? What point of friction did there seem to be between him and North?

A I got the impression one thing was that it was, North was not keeping him fully informed, but I just don't know. Oakley was one of the people who said you ought to go and talk to North before you go to Beirut.

Q Okay. That is all.

MR. TRAYLOR: No questions, thank you.

MR. BALLEN: Thank you very much for your cooperation, Ambassador Kelly.

(Whereupon, at 5:20 p.m., the deposition was adjourned.)

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EXECUTIVE SESSION

Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

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DEPOSITION OF GEORGE KISZYNSKI
Tuesday, May 5, 1987
EXECUTIVE SESSION

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran
Washington, D.C.

The committee met, pursuant to call, at 2:00 p.m., in room B-352, Rayburn House Office Building, Pamela J. Naughton, (Staff Counsel, House Select Committee) presiding.

Present: Robert W. Genzman, Associate Minority Counsel, House Select Committee; Joel S. Lisker, Association Counsel, Senate Select Committee; and Henry J. Flynn, Investigator, Senate Select Committee.

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Whereupon,

GEORGE R. KISZYNSKI

was called for as a witness, and, having been duly sworn, was examined and testified as follows:

MS. NAUGHTON: On the record.

My name is Pamela Naughton. I am Staff Counsel for the House Select Committee to Investigate Covert Arms Transactions. If the people around the table could give their names and titles.

MR. GENZMAN: My name is Robert W. Genzman. I am Associate Minority Counsel for the House Select Committee.

MR. LISKER: I am Joel Lisker. I am Associate Counsel with the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

MR. FLYNN: Ny name is Henry J. Flynn, Investigator with the Senate Select Committee on Iran and the Contras.

MR. KISZYNSKI: George R. Kiszynski, Special Agent, FBI, Miami, Florida.

MS. NAUGHTON: For the record, Mr. Kiszynski, and for all counsel present, counsel understands that the reporter is a Notary Public in the State of Maryland, and we all waive any objection to this reporter administering the oath for the purpose of this deposition and have no objection to the form of the oath.

BY MS. NAUGHTON:

Q Is that your understanding, Mr. Kiszynski? Do you have any objection to that?

A No, I don't think so.

Q Mr. Kiszynski, did you see a copy of our rules or were you informed of the committee rules?

A No, I have not seen a copy of the rules.

Q I am now showing you a copy of our rules of the committee. You do have the right to have an attorney present your personal attorney, during the deposition. I am not saying that one is required. Certainly you have the option. I notice you are without counsel today. Do you understand your right to have an attorney present?

Q Yes, I do.

A If, at any time during the deposition, you have any questions, you want to go off the record to answer questions, or to stay on the record to ask a question, please feel free to do so.

This is executive session material. That means it is taken in secret. It is held in secret in the vaults of the committee room. It is not released at any point unless it is with the vote of the full committee for its release under the committee rules.

A Does this mean that I can't discuss what I am about to testify to to my superiors or anybody within the FBI?

Q What I am saying is that the contents of your testimony today are secret. Do you understand? In other words if they ask you facts of which you are aware concerning your activities, obviously if they are your superiors, you are going to answer their questions. If it involves your testimony discussing that, this is executive session material.

I have to apologize because I have to get out of here in about an hour.

MR. GENZMAN: Me too.

BY MS. NAUGHTON:

Q We may skip some background things in the course of that. That is not to say we don't think it is important. If there is something that we have skipped that you feel you need to fill in to answer the question, please feel free to do so, but in terms of the details of the investigation, that is not what my primary concern is.

A For your information, I am involved in the investigation, and I can't really discuss the details of the investigation, and also, we have a lot of ~~session~~ Rule 6(e) material.

Q I understand that, and please be assured we are not interested in the specifics of your sources, methods or 6(e) material.

The first thing I want to discuss is the investigation stemming from in Alabama of the CMA and Tom Posey. I understand you were asked to do some leads regarding that

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in that investigation, is that correct?

A Well, yes.

Q And Judge Webster testified during his confirmatior hearing a couple of days ago that a connection was made to Oliver North during the course of that investigation. Can yc tell us about that?

A Yes. I was asked by teletype to interview Tom Pose Larry Spivey and individuals connected with them in Miami, Florida.

Q Why don't you describe who Spivey is?

A Larry Spivey stated to me that he is a movie producer who resides in Hollywood, ~~or in~~ California ~~area~~ OR, Los Angeles, and Tom Posey is the head of the CMA.

Q That is the Civilian Military Assistance?

A Yes, that was the former name. It is currently the Civilian Materiel Assistance Organization.

Q You were to interview Mr. Spivey as well?

A Spivey gave information to the Bureau. He contacte Agent Boone in L.A.

Q B-O-O-N-E?

A Right. Michael. He also contacted Washington, and then Agent Boone, and I was requested by teletype to conduct those interviews, which I did.

Q If Spivey is out of L.A. how can he interview them in Miami?

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A Because Spivey flew to Miami to be with Tom Posey. Spivey was interested in doing a story on the Contra movement and the freedom fighters.

Q And you interviewed both of these people?

A Yes, I did, at our office. I believe it was on 1/6/85. It may have been on a Sunday.

Q And did you write a 302 or do a teletype?

A Yes, I wrote a teletype providing the results of my investigation.

Q To whom was this sent?

A It was sent to headquarters. It was sent to, if I remember correctly, to L.A, to Houston, and possibly to New Orleans, if I remember correctly.

Q Were you aware that Oliver North had called Agent Boone?

A At the time, no. I am aware of it now.

Q When did you become aware of it?

A Just recently.

Q After you finished the interviews and wrote them up, did you file any requests for dissemination to the National Security Council?

A Yes, I requested that the Bureau consider disseminating the information to Oliver North.

A Why?

Q Because his name came up through Spivey, and I

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figured that Oliver North, working for the government, should be MADE aware there were a lot of people running around dropping his name, and so I felt that he should be ~~countenanced~~ COGNIZANT of the fact that this was taking place in Miami.

Q What did Spivey say about Ollie North?

A He said that Oliver North was very knowledgeable regarding the Contra issue, and very knowledgeable regarding Central and South America, and that he (SPIVEY) had notified Oliver North about what was taking place.

Q What was taking place? What do you mean?

A Well, basically that Tom Posey and this Colonel Flaco were planning to go to Central America, and become involved in some type of activity that would be detrimental to the U.S. Government interests.

Q Would this include the invasion of Nicaragua?

A I am not sure if he referred to any invasion of Nicaragua.

Q But was the military activity targeted at Nicaragua

A Probably. That is what he implied.

BY MR. FLYNN:

Q Who was going to do the invasion?

A At that time, it was sort of ~~unsure~~ UNCLEAR, but it was Tom Posey, the CMA and Colonel Flaco.

Q Going to invade?

A Not so much invade, but take some type of action

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that would be against U.S. interests in Central America.

BY MS. NAUGHTON: Is this the first you had heard of Oliver North?

A Yes.

Q Did you receive any calls from Oliver North regarding this investigation?

A No.

Q And Agent Boone did not tell you or communicate to you that he had?

A No. I never spoke to Agent Boone. I have yet to speak to him.

Q I said communication with him. He didn't put it in a teletype?

A ~~Execpt~~ Except for the teletype.

Q But his teletype, did that mention Oliver North?

A Yes, I believe it did.

Q And to whom did you make the request to disseminate your interview to North?

A To FBI headquarters.

Q Do you remember who it was particularly?

A No, I just sent the teletype to the Bureau.

Q And did you receive a response?

A No.

Q So it would be headquarters' responsibility to do it if they decided to?

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A If they decided to. Again, I want to repeat that I did so because his name was being used considerably, and I didn't know whether Mr. Spivey had any official connection with the government. I wasn't sure as to what his position in this matter was, and I decided that maybe he should be aware that his name was being thrown about.

I want to add for your information, Spivey is a very charming and articulate man. He drops a lot of names, too many names, and I just didn't know who Spivey was, and he came across to me as being very, very charming, and he is easy to speak to, and he brought Tom Posey over to the office and he led Tom Posey to believe that Spivey and I had been friends for a long time, when in fact I had met him maybe an hour prior to talking to Tom Posey. He has that type of ability, very charming individual. If you get an opportunity to meet him and talk to him, you will see what I mean, very articulate.

Q Is he someone you interviewed after a visit to Nicaragua?

A No, I interviewed him before and after the visit to Nicaragua.

Q Is that the first you had --

A The first ~~I ever knew~~ time I met Spivey was, I believe it was, on January 6th of 1985.

Q Now I am confused. ~~What~~ Was that pursuant to the lead

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from Los Angeles?

A Yes.

Q [redacted]

A No.

Q Had you heard of a man named Kevin Kattke?

A Repeat the spelling of the last name.

Q K-A-T-T-K-E.

A No.

Q Did you ever hear of a similar plot involving the invasion of Grenada?

A No.

Q Unless there is something else we should know about that case, the Posey case, I want to move on.

A Fine, go ahead.

Q Is there anything else we should know?

A Not that I can think of, no.

Q Do you know the outcome of the Los Angeles investigation?

A That was the Houston investigation, but I know tha the investigation was closed.

Q Without prosecution?

A I don't know.

Q Moving on to I guess it is the Corvo.

A Rene Corvo.

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Q I want to start with your interview of Jesus Garcia. Did you interview Mr. Garcia in January of '86?

A Yes. We interviewd Mr. Garcia, Kevin Currier, and I interviewed Mr. Garcia at the MCC, Metropolitan P~~olice~~ Correctional Center in Florida.

Q Did he tell you about an alleged plot to assassinate Ambassador Tambs?

A Yes, he did.

Q Did he tell you about any other potential criminal activity?

A He told us about the plot and also the plot to assassinate Ambassador Tambs, and/or to attack the U.S. Embassy in San Jose, Costa Rica.

Q Did he also talk about any activity regarding mercenaries to support the Contras or any guns being provided to support the Contras in Nicaragua?

A Garcia was very self-serving during that interview. He did not wish to discuss the Cubans, and when I specifically asked him about certain individuals, Cubans in particular, he refused to comment.

Q When you say Cubans, are you referring to Cuban-Americans?

A Cuban-Americans.

Q Living in Florida?

A Cuban exiles who lived in Florida or outside of

Florida.

Q By the way, who administered the polygraph for Garcia?

A If I remember correctly it was our office.

Q What did you and Mr. Currier, for the record, your partner at the FBI, and Mr. Feldman, decide, after speaking with Mr. Garcia, and after ther results of the polygraph came in?

A That he did not have a great deal of credibility.

Q And what did you decide to do with the investigatic

A We always proceeded with our investigation.

Q And so what steps did you take at that point?

A We continued to do interviews. We keyed on other people, and we did surveillances.

BY MR. FLYNN:

Q What was the direction of the interview? What was the classification of the case, a bombing case or neutrality?

A Neutrality, and finally we traveled to San Jose, Costa Rica. We went to La Reforma prison.

BY MS. NAUGHTON:

Q Before we get to that, you also went to New Orleans is that correct?

A Yes, I did.

Q To interview Jack Terrell?

A AKA Flaco.

Q Colonel Flaco?

A Right. That was on March 25th, I believe, of '86.

Q Did Mr. Terrell speak of Robert Owen?

A If I remember correctly, yes, he did.

Q And what did he tell you about Robert Owen?

A That Robert Owen was the liaison man between Washington and the FDN.

Q During the investigation of this case, were you aware of the Boland Amendment?

A Yes.

Q And what did Mr. Terrell say Robert Owen did in Central America?

A Exactly what I just said. He was the liaison man.

Q For whom did you understand Mr. Owen to work?

A He was connected in some way to Oliver North.

Q Was that your understanding in, shall we say, February of '86?

A Yes.

Q As of late March of '86, what did you understand Oliver North's role to be regarding any Central American activities?

A He was familiar with the issue, that he worked for the NSC, and that he was assisting with humanitarian aid.

Q Did you have any information that he was helping to either raise money for arms or helping to supply arms to the Contras?

A Not that I can remember.

Q In February or March, did you speak at all to the Leon Kellner, the U.S. Attorney in Miami?

A I don't think so. Which year?

Q 1986.

A February or March of '86? I don't think so.

Q Either before or while you were in Costa Rica, did Assistant U.S. Attorney Feldman prepare a little handwritten chart summarizing what you may have learned regarding different players?

A Yes. It was a sketch of central figures, key figures.

Q And who was at the top of this sketch?

A Oliver North.

Q And who was under Mr. North?

A Owen.

Q Robert Owen?

A Robert Owen.

Q And who was under Mr. Owen?

A John Hull, and below that Rene Corvo.

Q And for the record, Mr. Hull does what?

A John Hull is a wealthy rancher who resides in Cost Rica, and is married to a Costa Rican woman.

Q [redacted]

[redacted]

Q Could you tell us when you got to the embassy in Costa Rica, tell us what happened?

A We, as protocol, were required to introduce ourselves to the appropriate personnel at the embassy, and we had a meeting with Ambassador Lewis Tambs.

Q Was that at his own or your request?

A It was usually the protocol to meet with the Ambassador. I am not sure at whose request it was, but it i usually protocol for visiting dignitaries. Not that I consider myself a dignitary, to go and announce yourself and tell him why you are there, and what the scope of your investigation is all about.

Q So had you discussed with Mr. Feldman and Mr. Currier how much you would tell the Ambassador or anyone at the embassy?

A We discussed it, we discussed the meeting, and we were going to tell him exactly why we were there and what we ancitipated doing. We were also going to ask him for assistance in conducting our work.

Q Who briefed Ambassador Tambs about your investigation?

A It was basically Feldman.

Q And did Feldman show him the sketch?

A Yes, he did.

Q And what was the Ambassador's reaction to the sketc

A He ~~said he~~ ordered one of this assistants to get [redacted]

Q By [redacted] you mean [redacted]

A I believe that may be his first name, yes.

Q And who did you understand [redacted] to be?

A He was [redacted]

Q And was [redacted] briefed on your investigation

A Yes, he was present during our briefing.

Q And when the name Oliver North came up, do you recall what [redacted] said?

A Not specifically. We gave him the information. Obviously they had an interest in that information, because otherwise, Ambassador Tambs wouldn't have called [redacted] [redacted]. I think it had an impact.

Q Why do you say that?

A [redacted] At first, he wasn't there, and when we mentioned these figures, Ambassador Tambs asked that [redacted] be present during our conference. Obviously there was an interest in what we had to say.

Q What was [redacted] reaction, response to the information you gave?

A Very professional, very cool. Talked about his activities.

Q What did he say?

A We are getting into our investigation again.

Q I don't know what your understanding is, but our understanding is that anything before the Independent Counsel comes in on December 4, is grounds for inquiry of the committee. We are interested in what [redacted] was doing in Costa Rica. That is why I asked the question.

[redacted]

[redacted]

Q And what did he say about Hull [redacted]

A He said that Hull was an excellent American [redacted] He said that Hull was an excellent American who was committed to this country, and that he was assisting the refugees with food and clothing.

BY MR. FLYNN:

Q Where was he getting the food and clothing?

A From donations. Being wealthy, out of his own pocket.

Q Did he give you any of the names of people who might have been donating food and money for the refugees in this country?

A No. The interview was not very specific in nature and did not last that long. Basically, we were just to introduce ourselves, to tell him what we wanted to accomplis and to ask for their assistance.

You must realize that when you are in a foreign country, you are there and you have to conduct yourself in a certain manner. We needed the assistance of the U.S. Embassy, such as a driver, their contacts, and they expedite and facilitated a lot of our work.

BY MS. NAUGHTON:

Q You don't recall [redacted] making any specific about Oliver North or his relationship with Oliver North?

A I really don't.

Q Did he make any specific comment about Robert Owen?

A Not that I can remember.

Q Were arrangements made to interview Mr. Hull?

A Yes, they were.

Q What happened?

A We were supposed to meet with Mr. Hull -- let me se if I remember the date -- on April 3rd, and he was supposed t come to the Hotel ~~Bouganvelia~~ Bougainvillea, in San Jose, Costa Rica. He was supposed to meet with us. He called and left word for Jeff Feldman that he would not be attending, and on the way to the airport, we ran into Mr. Hull at the airport by coincidence.

Kevin and I introduced ourselves to Mr. Hull, expressed our desire to interview him. He ~~says~~ said, "You guys made enough noise for five." He told us he was going to fly into Miami, and we requested that he allow us to interview him there.

The next thing we noticed is that Mr. Hull was not on that plane. He was supposed to travel to Miami on that same plane, which was an Eastern flight, so obviously he changed his travel arrangements.

Q Do you know whether anybody at the embassy had tol him or advised him not to be interviewed?

A I don't know this. I believe that Mr. Hull contacted ~~counsel~~ Consul General Kutola, but I am not sure what Kutola told him.

Q Were you aware that Hull had met with Ambassador Tambs?

A When Kutola --

Q April 3rd-April 4th.

A No, I am not aware that he met with Ambassador Tambs.

Q Did you talk to Mr. Kutola personally?

A Yes, I did.

Q Did Mr. Kutola reference any calls that Mr. Hull might have received from the National Security Council?

A Not during my presence. You must remember that sometimes we were going at different directions, and I was not always privy to conversations. I think Kutola at times talked to Jeff Feldman at others talked to me and Kevin Currier, so I don't remember that conversation.

Q But at any point were you ever told by either Mr. Feldman or Mr. Currier about any information they had receive that the National Security Council had been in touch with Mr. Hull?

A That sounds familiar, and may have come from Feldman, but don't quote me on that.

Q What was the general status of the case after you returned from Costa Rica? In other words, were you enthused about the case?

A I think that Kevin and I were always enthused about the case. We had gotten excellent information at La Reforma prison. We were enthused. We were happy as to how the investigation was proceeding, and we were hoping to empanel a grand jury.

Q Sometime in the Spring of 1986 did you or did your office receive a request from anybody at headquarters for a summary of what had happened on the case?

A Yes.

Q And from whom was that request?

A I personally was called ~~in~~to assist Kevin with the summary by Paul Phillips, who at the time was my immediate supervisor, and he had ~~[illegible]~~ RECEIVED the request from Jim Freeman, who ~~is~~ WAS the ASAC.

Q Who in Washington generated the inquiry?

A Assistant Director -- I have a memory lapse.

Q Was it Buck Revell?

A Buck Revell.

Q Were you told that the request came from Mr. Revell

A Yes.

Q And was this in March of 1986?

A Yes, March 20, 1986.

Q How was it that Mr. Revell was aware of your investigation?

A He was in charge of the Criminal Division. Our investigation is a high profile investigation, so he should be aware of most of the investigation.

Q Were you sending reports periodically?

A Yes.

Q To headquarters?

A Yes.

Q And did you prepare this summary?

A We did.

Q Did it include the information that you were told by Mr. Terrell?

A I believe that it did.

Q And did that mention Mr. Hull?

A I think it mentioned the key figures of the investigation. It was a summary of our investigation.

Q And did it mention Mr. Owen?

A I believe so.

Q Did it mention Lieutenant Colonel North?

A Not that I know of.

Q Did you receive any follow-up phone calls for additional information or anything like that?

A No, but it was customary for us to continue to senc reports to headquarters on a timely basis.

Q But other than the normal course of preparing reports, you didn't have any additional requests for action or information?

A Not that I can remember. The next key report that we prepared was our prosecutive report, which was done.

Q We will get to that.

BY MR. FLYNN:

Q YOu said before that when you came back from Costa Rica that you were interested in a federal grand jury?

A Empaneling a grand jury.

Q Did you discuss that with Feldman?

A Oh, yes.

Q Did you write the U.S. Attorney? How did you handle that request?

A We had discussed it. We had requested a grand jury. We had been requesting a grand jury from the beginning of the year, around January or February of that year. When we came back from San Jose, Costa Rica, we were enthused about the investigation, and we felt that the grand jury would be an appropriate means to further the investigation, to obtain records that were necessary, and so forth.

Q Did you write a letter to the U.S. Attorney to that effect, or just make your thoughts known to Feldman?

A We wrote communications to the Bureau. We made tha known to Feldman repeatedly.

BY MS. NAUGHTON:

Q On or about May of 1986, did Mr. Feldman show you

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any drafts of any memoranda he had prepared for his superiors?

A No. I was not present. He showed the memoranda to Kevin Currier.

Q Before we get to that, in April of 1986, were you aware that the Attorney General was going to visit the hospital where the FBI agents were?

A That was common knowledge from the paper, yes.

Q Did you participate in that convoy or the escort or anything for the Attorney General?

A No, I was at the funeral. You are referring to Ben AND ~~Jeridove?~~ JERRY DOVE

Q Were you aware that the Attorney General had inquired about your investigation?

A No.

Q When was it you first learned about it?

A In my readings in a number of newspapers and articles that cropped up.

Q When is the first time you spoke with Leon Kellner about this case?

A I can't remember specifically. I don't think that I really sat down with Leon Kellner at length to really discuss the investigation. That was done by Jeff Feldman. I remember one specific conversation that we had. That was at a Christmas party right prior to Christmas 1986, and we discussed the case over lunch, standing up. It was an office

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party, and previous to that, I ran into him once or twice and we just chit-chatted very superficially about the case, but never in any sort of depth.

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Q As long as we are on the 1986 Christmas party conversation with Mr. Kellner, what was your impression? By now, Mr. Kellner has received your prosecution memo. What was your impression of the depth of his understanding about the details of your case?

A I don't think that Mr. Kellner understood the case in its entirety because he kept referring to the fact that the case involved the shipment of a few weapons to Central America and I said, well, the case is a little more complicate than that. If you look at it quickly that is what it looks like, but there is more to the case than just a shipment of a few weapons to Central America.

The fact that there are Cuban exiles recruiting funds and paramilitary equipment in Miami, recruiting mercenaries and so forth, there is a great deal more than just five or six weapons being taken to Central America.

Q Now, going back to May of '86, did you ever discuss Jeff Feldman's memo of May 14, '86 with Mr. Feldman?

A Yes, we discussed the memo. Keep in mind that Jeff and Kevin Currier worked on the memo, PREPARED the memo. I was involved in our investigations but I didn't take part in, the preparation of that particular memo.

Q So when is the first time you saw the memo?

A I never saw the original draft. I saw the redacted memo. I don't remember exactly when.

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Q Well, was it in May or June of '86, or was it recently?

A I believe it may have been in June of '86, approximate time.

Q Was that memo sent to FBI headquarters?

A I am not sure if it was. I believe Kevin Currier may have sent a copy of the memo to headquarters.

Q Is that something you didn't agree with?

A No, I have other responsibilities that I am involve ~~in~~ with, I am not sure always what Kevin sends or Does ~~did~~, ~~not send~~ to ~~Washingt~~on.

Q I am going to show you a memo dated May 14, 1986, entitled the Costa I, and direct your attention to the conclusion on page 21 that refers to the potential use of a grand jury as a fishing expedition. Is this the version of the memo that you saw? I understand from Kevin and Jeff tha the original memo stated that we should empanel a grand jury. What I am particularly concerned about though -- please think carefully -- in terms of the conclusion, this last big paragraph, is that the version that you saw in June of '86?

A I said before, I never saw the original draft where Jeff Feldman stated that he was in agreement with the empaneling.

Q I am not asking that. We are way past that.

A I don't understand your question.

Q Have you seen this version before?

A I have seen it but I can't be specific as to what the date.

Q Okay.

A It may have been June or later. I cannot be specific as to when I saw a copy of this memo.

I know about the memo because Jeff and Kevin talked about the memo and Kevin Currier and I were in disagreement with this last paragraph. We felt that the grand jury was needed.

Q Specifically, do you recall this last paragraph making reference to a fishing expedition having discuss that or seen that before, before the day when he just handed it to you?

A Yes. I have seen it, but I can't be specific as to the date. I have a copy of this memo.

Q This specific one that refers to a fishing expediti

A I believe so.

Q Who gave you a copy of that?

A I think it was in part of the file, if I remember correctly.

Q Well, you had to get it from somewhere.

A I believe the memo would have come from Jeff Feldman.

BY MR. FLYNN:

Q YOu said the original memo requested that the government empanel a federal grand jury, is that correct?

A Yes. Jeff Feldman was in agreement that we needed a grand jury, that one should be empanelled.

Q In the memo that you saw there, that is the paragraph that was in the memo you saw then, is that correct? That is the only memo that you saw?

A I did not see the original memo.

BY MS. NAUGHTON:

Q Did you disseminate this memo to anyone?

A I personally did not.

Q Do you know of anyone who disseminated it to anyone

A I know that Jeff Feldman gave copies of the memo to his boss and his subordinates. A copy must have been given to our office. I am not sure who else received any copies.

Q Well, do you know of anyone receiving copies other than the people in Mr. Feldman's office and yours, and Mr. Currier's?

A I did not receive a copy of the memo and I personal have no knowledge that Jeff Feldman even gave a copy to Leon Kellner. I surmised that he did. He told me he did.

Q Okay, did you or Mr. Currier or anyone at the FBI Miami Office, disseminate the memo to anyone else?

A I believe that Kevin Currier sent a copy of the mem to headquarters.

Q Do you recall to whom at headquarters?

A No, just to FBI headquarters.

Q Did you send a copy to anyone else within the FBI?

A No.

Q Did you send it to anyone at the NSC a copy of the memo?

A No.

Q Did you send a copy of the memo to anyone in the U.S. Government?

A No.

Q Do you know whether Mr. Currier did?

A I don't believe so, no.

Q Other than to headquarters?

A Other than to headquarters.

Q Did you disseminate the memo to anyone not in the U.S. Government?

A No.

Q So your testimony is you didn't give a copy of the memo to anyone?

A To anyone.

Q Did there come a time in which Mr. Feldman told you that they had had a meeting and Mr. Kellner had decided not to utilize the grand jury?

A Yes, right after we returned from San Jose, Costa

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Rica, Jeff Feldman had a meeting with Kellner, Dick Gregorie and Ana Barnett, if I remember properly.

Q Did he state the reasons?

A They wanted to know about the case and the synopsis of our investigation and Jeff gave them a synopsis of what we had done, and at that time, he told me [illegible]t he was upset because he said ~~I felt that I~~ he lost credibility. HE was tired and was not sure whether he gave him a good overview of the investigation.

Q Did you think that the facts as he stated them in his memo of May 14, were accurate or did you think they downplayed the investigation, or did you think it over-evaluated the investigation?

A If anything, we, Kevin and I, felt that it downplayed the investigation somewhat, but we were happy with th conclusion -- that being that a grand jury should be empanell -- because we asked all along for a grand jury to assist us with our investigation.

Q And what did you decide to do, if anything, after Mr. Kellner had decided not to utilize the grand jury?

A Just continued to do our work. That is during the period where we interviewed Rene Corvo and where we intervie a lot of other key figures -- Pedro Gil -- and we just continued to do our investigation, though we still felt that the grand jury was important, and I guess Jeff must have

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called us a pain more than once, because we were very insistent.

Q Were there any plans within the FBI itself from Miami to Washington to perhaps go up the chain and put some pressure on people at the Department of Justice to try to influence the U.S. Attorney's decision?

A That was the principal reason why the report, prosecutor's report was written. I made a few calls to headquarters specifying that we needed a grand jury, that it would be beneficial to our investigation.

Q And with whom did you speak at headquarters?

A I believe the supervisor at the time was John Simic

Q And do you know to whom he spoke to get the ball rolling?

A No, I don't.

Q Did he ever meet with anyone at the Department of Justice?

A He may have, but I have no personal knowledge of that.

Q I am not asking, do you know if anyone at the FBI met with anyone at the Department of Justice regarding this case?

A John ~~Siomone~~ SIMIONE told me he made some calls inquiring about the investigation.

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Q Did he tell you who he spoke to?

A He may have, but I don't remember.

Q And what did he say the response was from the Department of Justice?

A That they would look into it.

Q Do you recall when that was?

A That was, let's see, I believe Kevin was on vacation during that time. August, if I remember correctly, August of '86.

BY MR. FLYNN:

Q What was the date of the prosecutor's report?

A July 31, '86.

BY MS. NAUGHTON:

Q In late August or early September, did Mr. Feldman tell you that Mr. Kellner had given him any instructions regarding the investigation?

A Not that I can remember.

Q Has he since told you that Mr. Kellner gave him any instructions not to do anything until, wait until he made a decision or got back to him?

A He, Kellner said I want to read the prosecutor's report and to hold on until he completed the review of the report.

Q Did Feldman mention that Kellner had said anything about political implications or this was a matter of politic anything to that effect?

A Not to me.

Q At any time?

A Not that I can remember.

A You would have remembered that?

A I would think so.

BY MR. FLYNN:

Q Do you think that Feldman was upset because it didn't go to a grand jury?

A Yes, I think he was a little upset. He felt, as well as I and Kevin, that we were ready for a grand jury and that obviously his higher-ups felt that we were not ready and they asked him to do more leg work.

Well, we continued to do our leg work. Then eventually, in November of '86, we did empanel a grand jury.

BY MS. NAUGHTON:

Q Did anything develop as a result of the Hasenfus crash on October 5, 1986?

A Well, shortly after that crash we were able to get a grand jury empaneled.

Q Were there any specific instructions regarding that or did it just come out of the blue?

A Not that I know of. We had conducted some very key interviews, very pertinent, and very successful, and I felt again that we had enough to empanel a grand jury. Finally, we got our wish.

Q That was in October of '86?

A In November of '86.

Q Had you written another summary for headquarters?

A Another prosecutor's summary? No.

Q So the last one was July 31?

A Yes.

MR. FLYNN: Could we go off the record?

(Discussion off the record.)

BY MS. NAUGHTON:

The Christmas party with Mr. Kellner, is that basically the only substantive conversation you have had with him regarding the case?

A I had a few short, a few conversations with him, but they were very superficial in the past. That was a conversation just over lunch and we were standing there and he and Dick Gregorie came over to Kevin Currier and I and started talking about the case.

Q Did you discuss the media criticism of Mr. Kellner?

A Not that I remember. I may have, but -- it, for some reason it doesn't enter into my mind. I don't know if I did or not. I may have.

Q Did you speak to Mr. Jamar from headquarters recently?

A Not that I can remember.

Q At any time?

A No.

Q Has anyone from headquarters asked you whether or not any information was disseminted outside channels on this case?

A Not that I can remember. If any information was disseminated outside of --?

Q Outside of the FBI?

A No, I don't think so.

Q YOu haven't discussed with, say, in the last three weeks with anyone from the FBI?

A No.

Q I have to ask you about a couple more investigatio They may want to get back to this one -- [redacted], did you have any involvement with that case?

A Very minor. I helped one time deliver some eviden during the trial. I helped with the crime scene.

Q To you knowledge, was there anything to connect [redacted] [redacted] with any United States Government officials?

A I have no knowledge of that. Again, my function with that case was very superficial. I did a crime scene an I helped with some evidence.

Q Do you know of any activities by government offici to intercede on behalf of [redacted]?

A No.

Q Do you know of any sentencing information imparte by the U.S. Government on behalf of [redacted]?

A No.

Q Do you know where [redacted] is serving his sentence?

A No.

Q The Hasenfus investigation, were you involved in that at all?

A No.

Q What have you heard or learned about any efforts to delay the investigation of a couple of weeks?

A I believe two of our agents were sent out to investigate the case and headquarters just requested that th investigation be delayed for a couple of weeks, that is all.

Q Do you know for what reason?

A No.

Q Was there any negative response by the agents working the case?

A Not that I KNOW.

Q Going back to the Corbo investigation, at any tim did you receive any directions from any source, either the U.S. Attorney's office, the FBI, or any other government agency, to slow down the investigation?

A No, and we never did, as a matter of fact.

I have never worked harder on a case than this on and I have had some good cases.

Q To your knowledge, did Mr. Feldman ever receive such instructions to show down the investigation?

A No.

MR. FLYNN: Who are the case agents on the neutral case?

THE WITNESS: Kevin Currier and I.

MR. FLYNN: It is a [redacted] small?

THE WITNESS: Yes. We could use a couple more.

BY MS. NAUGHTON:

Q Did you share any of this information with U.S. Customs?

A Yes, we are working in conjunction with the U.S. Customs.

Q Did you provide them a copy of the Feldman memo of May 14th?

A I didn't, I am not sure whether Feldman did. The agent who was working the case with us is Jim Kilfoil.

Q Did you provide him with a copy of your March summary or your July prosecution memo?

A I did not.

Q Do you know whether Mr. Currier did?

A No.

Q Did you make any request to interview [redacted] later on after your meeting in April?

A I believe that Jeff Feldman requested that we be allowed to read his transcripts of testimony he gave.

Q Gave where?

A Here in Washington.

Q Before the committees.

A YEs, and we are still waiting to review those statements.

Q Do you recall anyone at the embassy say, making any references to Hull's relationship with the President?

A Yes.

Q What do you recall about that?

A Jim Nagel. Basically he said John Hull is a persona friend of Ronald Reagan, if you know what that means. . That is all he said.

Q In what context did that come up?

A Our inquiries and our investigation, it was during one of the meetings.

Q So you were discussing Mr. Hull?

A Well, they knew that we wanted to interview John Hull. They knew John Hull was part of our list that had been made known to Ambassador Tambs and Jim Nagel was present during the meeting.

Q Did Mr. Nagel mention this as a way of encouraging you to investigate John Hull, or as a way of discouraging you from investigating Mr. Hull?

A I am not sure what he was trying to do. He was ver helpful. He took us to La Reforma prison. He MADE sure we

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got there and [redacted] back and he was very pleasant. I am not sure what he was trying to indicate to us with that statement.

Frankly, I didn't care who John Hull knew, I was going to proceed with my job, period.

Q Have you ever spoken to Mr. R[illegible]vell about the case at any time?

A No.

Q Have you ever communicated with the case other than preparing the summary in March?

A If by communicating, you mean writing reports and writing airtels and teletypes, I have done that.

Any form of communication who read it, I am not sure they were sent to FBI headquarters.

Q Are you familiar with the name Richard Miller?

A Miller sounds familiar and I believe that he may be living here in Washington. Is that the one you are referring to?

Q Yes.

A Who is a public relations man?

Q Yes.

A His name came up.

Q In your investigation?

A Yes.

Q Did Mr. Secord come up in your investigation?

A Yes.

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- Pg 40
incorrect { line 8+9
transcription { line 12+13

Q Mr. Clines, Tom Clines?

A No.

Q Ted Shackley?

A Not familiar.

Q I think those are my questions.

BY MR. LISKER:

Q Special Agent Kiszynski, when you report on your cases you normally send them to headquarters and dissemination was made to the various sections and divisions of headquarters is a matter of prerogative of headquarters. Is that something you ordinarily direct the division 6 or division 5; is that correct?

A That is correct.

Q Now, you described Mr. Revell as an Assistant Director of the FBI. In fact, is he not an Associate Director?

A You are correct.

Q So he is not only in charge of division 6, but in charge of all investigative divisions?

A Yes sir.

Q So he would be sort of the hub of the wheel as far as sensitive cases information?

A Yes sir.

Q And Director Webster relied on him to keep him informed of those cases which were important in terms of

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current Bureau activities?

A Definitely.

Q You mentioned Jack Terrell. What can you tell the committee about Jack Terrell?

A Could you repeat that?

Q You mentioned Jack Terrell. What can you tell the committee about Jack Terrell in terms of his background, his psychiatric history or his criminal history?

A I could tell you a great deal, but that is going into the investigation.

Q Let me ask you this. Has Jack Terrell served time in prison?

A Yes.

Q Can you tell me how long he was in prison and what for?

A Approximately ten years. Car theft, breaking and entering.

Q And as far as his reliability, based on your experience with him, how would you characterize him -- highly reliable, slightly reliable, unreliable, totally unreliable?

A How about totally unreliable. I can't say totally, because I think some of the information that he provided has merit, but let's say he is an unusual character.

Q I just want to run some names by you. Do you know a Gary Shepherd, Inspection Agent Gary Shepherd of the

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Washington field office?

A No sir.

Q Do you know Inspection Agent Mary Frenzel of the New York field office?

A No sir.

Q Do you know Inspection Agent Gary Arms of the New York City office?

A No sir.

Q Do you know an individual associated with the CIA who uses the name [redacted]

A No sir.

Q Do you know an individual by the name of Sergio Pinon?

A Yes sir.

Q Do you know an individual by the name of Raymond Melina?

A Ray Melina is familiar but it is a common name in Miami.

Q He would be a former Nicaraguan.

A I can't place him.

Q An agent for Somoza.

A I may have heard the ~~ame~~ name. It sounds familiar, but I am not sure if I met him or --

Q How do you know Sergio Pinon?

A He ~~was~~ is a former Miami police officer. Previous tc

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that, he was a Miami police officer, then he worked for the --

Q Department of --

A Department of Law Enforcement, and now he is currently working for one of the major credit card companies.

Q So he was a contact rather than somebody that you had under investigation or an associate, colleague. Is that what you are saying?

A Yes.

Q The question was asked whether or not you discussed certain documents with various entities of the FBI. The FBI Inspection Division has this matter under review at this time, that is, the allegation of a special relationship with Oliver North and someone in the Miami office.

A I have not been interviewed about that.

Q I thought that was rather curious you said you had not.

A No, I have not.

Q Would it be customary in such cases where allegatior are made for the office of responsibility in the Inspection Division to make inquiry to see whether there are any merit tc those allegations?

A It depends on the situation. That doesn't mean I wouldn't be asked to comment on that relationship, but I haven't to date. The Bureau is aware that I have had no contact with Oliver North because I gave that information to

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my superior and to the superiors in the Miami office. My direct superiors and to the SAC.

Q Now, getting back earlier to one other thing that was mentioned in connection with the ongoing investigation. It is the mission of the FBI to conduct the investigation, to analyze the fact and present such evidence, such evidence, that is developed to the appropriate Assistant U.S. Attorney, and even perhaps to the U.S. Attorney.

Is it unusual situation for an Assistant U.S. Attorney or the United States Attorney, once it is presented to an Assistant, to say after reviewing the case, that it doesn't appear that we have enough yet to empanel a grand jury, I would like to go back and conduct additional investigation and pursue various areas and specific various areas. Is that an unusual occurrence?

A No, it isn't.

Q So that in fact as you do your investigation, you ar second guessed along the way by assistants. Not only by assistants --

A We are second guessed by everybody.

Q So the mere fact that someone doesn't agree with yo initial recommendation on empaneling a grand jury and suggestion that additional investigation might be merited, is not unusual?

A No, it isn't, and, of course, I have my opinions and I will pursue my goals and so if eventually we empanel the Grand Jury that was our objective, and if it was premature at that time, we continue to obtain additional information which we did, which I think was very pertinent to the investigation.

Q Thank you. I have no additional questions.

BY MR. FLYNN:

Q When you talked to Rene Corvo in Florida in January of '85 --

A I didn't talk to Rene Corvo, I think you mean Garcia spoke to Rene Corvo in Miami.

Q I beg your pardon.

A That was Garcia in January of '85.

Q You talked to Garcia in January of '85. Did you talk about Jorge Ochoa?

A Yes.

Q Did you talk to Garcia about Ochoa?

A I believe he mentioned Ochoa being part of the plot to assassinate Lewis Tambs.

Q Can you tell me exactly what Ochoa was supposed to do?

A If I remember correctly, Ochoa offered $1 million for the assassination of Lewis Tambs.

Q Did Terrell tell you anything that was different or didn't you talk to Terrell at all?

A I did talk to Terrell.

Q Did he tell you basically the same thing?

A Terrell talked about a plot.

Q That is all.

MR. GENZMAN: I have nothing further. Thank you.

THE WITNESS: Thank you.

(Whereupon, at 3:35 p.m., the deposition was adjourned.)